

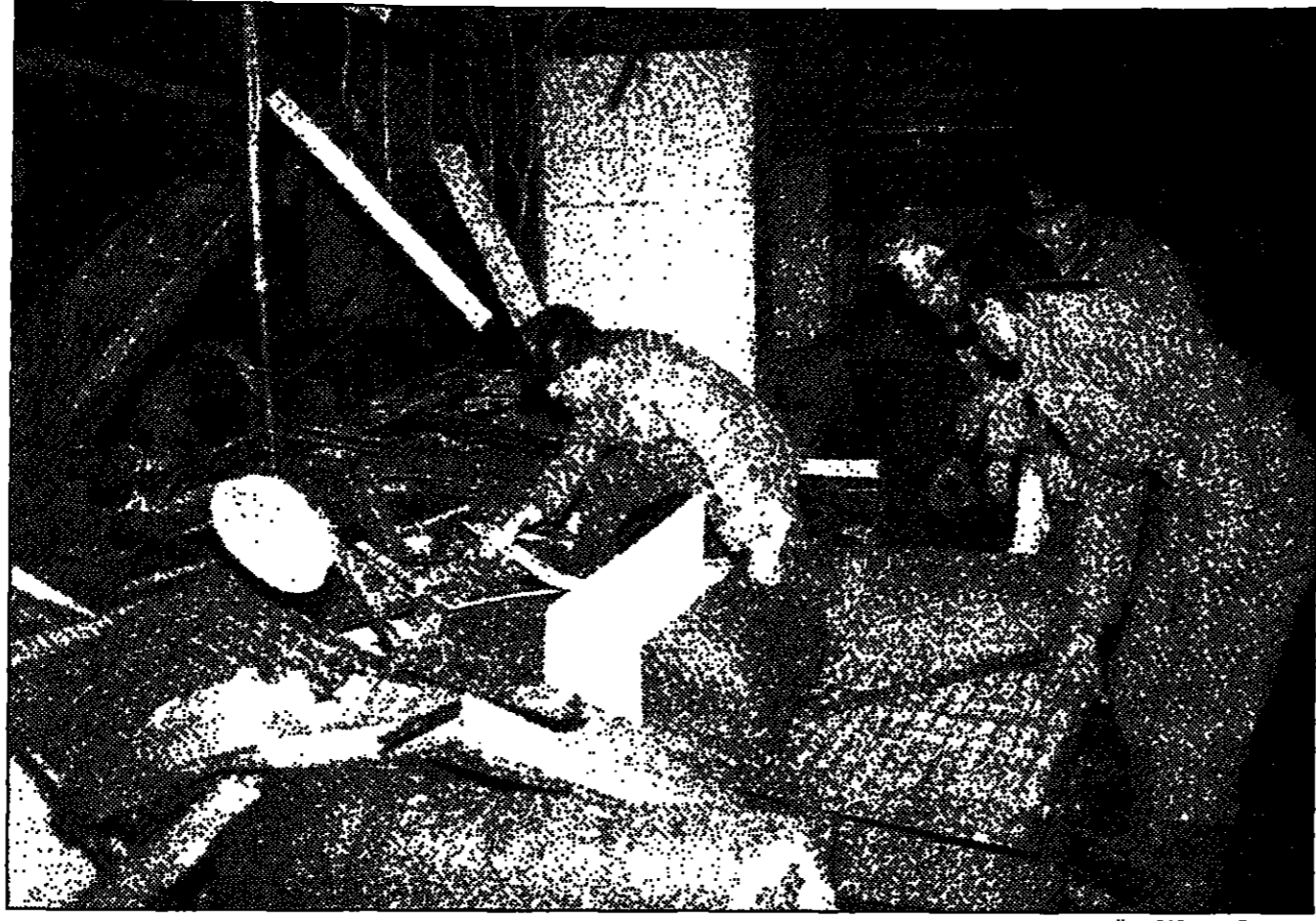
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'NONCOMPLIANCE WILL NOT BE TOLERATED'

U.S. Fires Missiles at Iraqi Nuclear Site

Raid Failed, Saddam Says As He Urges Retaliation

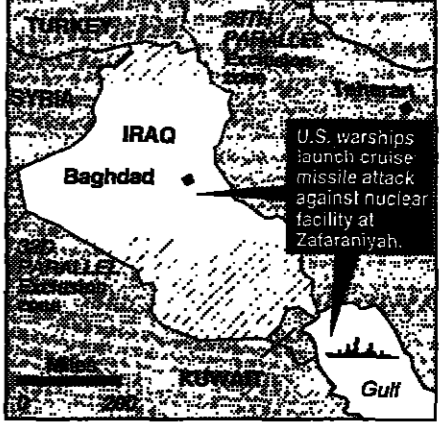
Compiled by Our Staff From Dispatches BAGHDAD — President Saddam Hussein declared defiantly Sunday that the United States cruise missile attack on Iraq had been a "total failure." In a speech on state radio, Mr. Saddam called on the Iraqi armed forces to "fight the attackers." He said they should "be worthy of your history and the mission that God has entrusted you with." "Once again they came back to steadfast Baghdad, but they left in total failure like they always have," Mr. Saddam said. "God is on your side so that Iraq, the symbol of the mujahidin, may live on," he said. He accused the West of harboring an "ancestral hatred" against Iraq. "But God will denounce them and foil their attacks and will make the believers triumphant," he said. His speech was broadcast less than an hour after the end of the missile attack. It was his second speech of the day. In his earlier address, to commemorate the second anniversary of the Gulf War and before the missile attack, he defiantly declared that the Iraqi army "will not be defeated." He called upon Iraqis to make the coming battle a "final and decisive chapter which will be the end of all chapters." He asserted that Iraqis and Kuwaitis "are one people." He urged Kuwaitis to rise up against their ruling family, who he said were "robbers" who left their country two years ago as if they were "renegades breaking a lease." He said Kuwait had since been turned into "an oil company producing oil for the Al Sabah family." Mr. Bush's defeat came as a shock to many in the region, a fact that Iraqi propaganda has not tired of emphasizing since Nov. 29, 1989. The fact that the Iraqi president emphasized the corruption of the ruling Sabah family was not lost on people here. In addition to security concerns, deteriorating economic conditions and poor morale, Kuwait has been plunged in the past few weeks into its most serious financial scandal in decades. At least \$5 billion of publicly-owned money is missing from the country's foreign investment funds. (AFP, NYT)



Firemen clearing away the debris at the Rashid Hotel in Baghdad after it was hit in raid. At least one and up to three people were killed.

40 to 50 'Smart' Weapons Hit a Plant Near Baghdad

By Paul F. Horvitz International Herald Tribune WASHINGTON — United States warships launched a concentrated cruise missile attack Sunday night against what was described as a nuclear installation near Baghdad as a confrontation with Iraq escalated sharply. A total of 40 to 50 "smart" cruise missiles, carrying 1,000-pound conventional warheads, were launched, according to the CBS and ABC television networks. At least one person and up to three were reported killed in the attack, Reuters reported from Baghdad. Martin Fitzwater, the White House spokesman, said that the target was a suburban, multi-building, nuclear-reprocessing and fabrication plant at Zafaraniyah, on the Tigris River about 20 kilometers (13 miles) from the center of Baghdad. He said the attack was launched to "demonstrate our determination to demand Iraq's compliance" with United Nations resolutions passed during and after the Gulf War. Pentagon officials told The Associated Press that the missiles were fired from the USS Cowpens, an Aegis-class cruiser, and two destroyers: the USS Hewitt and the USS Stump, both in the Gulf. A third destroyer, the USS Caron, fired its missiles from the Red Sea, they said. An Iraqi statement said the site attacked was a mechanical engineering plant and not a nuclear site. But David Kay, a former UN weapons inspector, said from London that the site attacked was a mechanical engineering plant that had secretly been used in the past to build devices necessary to process uranium needed for atomic weaponry. Before the attack Sunday, the plant was not functional, according to a spokesman for the International Atomic Energy Agency. And Mr. Kay said he believed that, as a result of a mid-1991 UN inspection and subsequent UN actions, there was no longer any activity at the site that could be helpful to an atomic weapons program. These comments suggested that the U.S. attack was largely designed to send a political message to the Iraqi regime that virtually any building in the country can be struck with force and precision. Mr. Kay, interviewed on CNN, said the facility attacked had, indeed, made molds and dyes and electrical devices. But he said it had been used for both military and civilian uses and that in 1991 it was found to be a secret manufacturing site for cathodons, electromagnetic devices used to process nuclear material. The modern facility was not attacked during the Gulf War, Mr. Kay said, because the allied coalition was not aware of its military use. It was inspected after the UN received an intelligence report, said Mr. Kay, an American. A senior Pentagon official described the plant as a "multibillion dollar facility" that used high-tech computers to manufacture components used in the uranium enrichment process for nuclear weapons. "Our intent here was to do serious damage to the facility," he told The Associated Press. "It is of high value to the Iraqi military." The cruise missile attack came three hours after American officials announced that U.S. warplanes had shot down an Iraqi fighter that had violated the "no-fly" zone over northern Iraq earlier in the day. U.S. planes also attacked an Iraqi radar site that had threatened coalition pilots. "Noncompliance with UN Security Council resolutions will not be tolerated," Mr. Fitzwater said after the missile attack. He strongly indicated that more such attacks would be considered unless Baghdad adhered to the letter and spirit of all UN resolutions. "The purpose, the goal of this operation is to seek compliance with UN resolutions," he said.



Clinton Calls the Attack 'Appropriate'

The Associated Press WASHINGTON — President-elect Bill Clinton said Sunday that the U.S. missile strike against Iraq was "appropriate and forceful." His press secretary said the incoming administration was "prepared to continue taking appropriate action until Iraq complies." There was no sign of retreat from the confrontations between the Bush administration and Iraq. "We're prepared to continue taking appropriate action until Iraq complies," said Mr. Clinton's press secretary, Dee Dee Myers, speaking of the UN resolutions. Mr. Clinton's communications chief, George Stephanopoulos, said that President Saddam Hussein "doesn't realize that there is no daylight between President Bush and President Clinton on this." He said Mr. Clinton was "determined to be tough" with the Iraqi leader. "We've been fully briefed; we've been in regular contact," Mr. Clinton said of the increase in tensions. "Saddam Hussein's continuing provocation has been met by appropriate and forceful response," Mr. Clinton said. "I fully support President Bush's action." "Saddam Hussein should be very clear in understanding that the current and the next administration are in complete agreement on the necessity of his fully complying with all relevant United Nations Security Council resolutions." Of the shooting down of an Iraqi fighter in the northern restriction zone, Ms. Myers said: "He supports the action." The president-elect was on a bus trip through the Virginia countryside near the capital, and aides with him stayed in constant touch with his national security advisers, M. Anthony Lake and Sandy Berger, in Washington. Mr. Lake, in turn, was in contact with the national security adviser, Brent Scowcroft, and other members of the Bush team, Ms. Myers said. Mr. Clinton has been fully supportive of the administration's handling of the latest Iraqi provocations, including last week's strike on Iraqi anti-aircraft installations. He said then that he would not rule out using force against Mr. Saddam. Nor would he consider normalizing relations with Iraq while Mr. Saddam remained its leader, Mr. Clinton said.

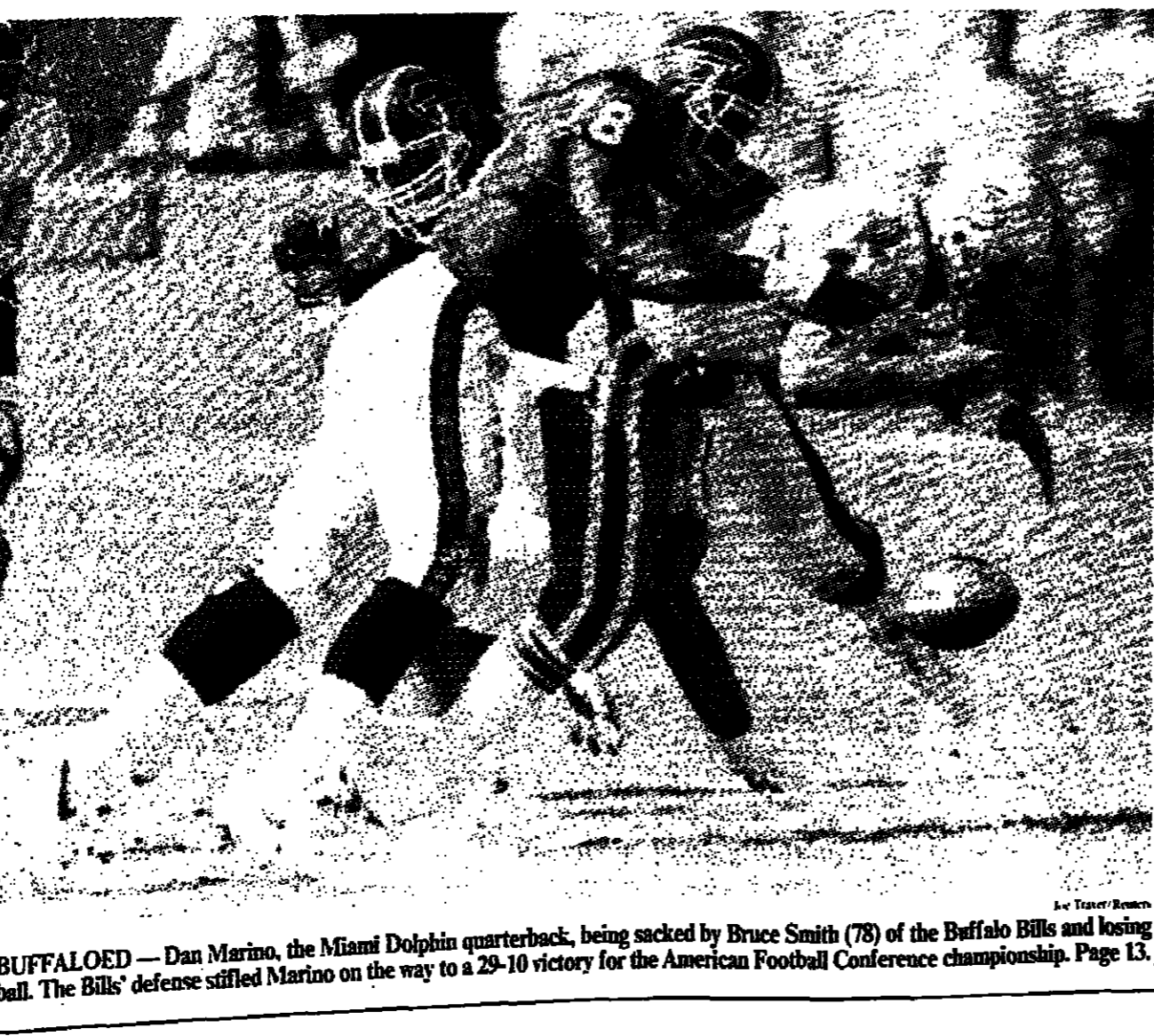
A Noted Hotel Is Damaged By Explosion

The Associated Press BAGHDAD — Glowing anti-aircraft shells streaked over Baghdad on Sunday night as the United States fired cruise missiles at what it said was an Iraqi nuclear weapons site on the outskirts of the capital. An explosion damaged the lobby of the noted hotel, where foreign journalists and visitors often stay. It was not immediately known whether the hotel blast was caused by anti-aircraft fire or a U.S. missile. Hotel workers said that a woman at the hotel's reception desk died when the roof caved in and that two other people might have been killed. There was no immediate report from President Saddam Hussein's government about damage to the designated target outside Baghdad. American television reports quoted the government as denying the site was engaged in nuclear weapons work. An Iraqi army photographer displayed a piece of metal bearing the marking "Jacksonville, Fla." In Washington, the White House spokesman, Martin Fitzwater, said that he was aware of reports of damage to the hotel, but that he did not believe it was damaged by a cruise missile. He speculated that an Iraqi anti-aircraft shell might have hit the hotel. A crater 10 feet (3 meters) deep and 20 feet across was outside the hotel and broken furniture and debris littered the lobby. The hotel's power was out. "I just heard a whoosh, and it just exploded right in front of me," said Derek Wilkinson, an NBC News tape editor, speaking on CNN. He had been in the hotel room where NBC has its Baghdad office. "The purpose, the goal of this operation is to seek compliance with UN resolutions," he said.

Saddam's Gamble: A Bet Allies' Resolve Will Flag

By Youssef M. Ibrahim New York Times Service KUWAIT — President Saddam Hussein's defiant speech on Sunday was based on gambling, wishful thinking and sheer necessity, political analysts agreed. In choosing this time to challenge President George Bush, who orchestrated a war against him and who leaves office on Wednesday, the Iraqi ruler is betting that the Western-Arab alliance that defeated him two years ago is no longer willing or able to marshal a military operation big enough to neutralize him. He is calculating, the analysts said, that much of the Arab world has grown weary watching further punishment inflicted in the name of the United Nations upon the Iraqi people while, as he pointed out in a speech, non-Arab countries like Israel flout United Nations resolutions without suffering for it. This has not been enough to arouse the Arab crowds to anger, but it has caused Syria and Egypt, which waged war against Iraq in 1991, to express their "deep regret" at the U.S. air raids last week. And Mr. Saddam is hoping that West is becoming too preoccupied with new trouble spots all over the globe to keep up its eagerness to bring Iraq into line time after time. Throughout a speech on Sunday that ranked as one of his most belligerent, the Iraqi president was also taking advantage of another reality that has become evident in the last year — the rising challenge of Islamic fundamentalism and Iran's role in fanning its flames, thanks to the absence of the Iraqi deterrent that effectively suppressed the Iranians during the Iran-Iraq war from 1980 to 1988. Several Arab leaders, including close allies of the United States, expressed the view that the continuing bleeding of Iraq, and its possible dismemberment, including a Shiite state under Iran's influence, will lend momentum to a movement that has become the greatest preoccupation of nearly every Arab regime from Algeria to Saudi Arabia. Still, the bottom line for Mr. Saddam remains the growing economic pain in a country deprived of all income for more than two years and running out of cash and good will. Iraqi currency has become worthless. Food and spare parts are short, and the regime repeatedly needs to remind the population of its position that the hardships are not a result of its policies but of the cruelty of the West and its "treasonous" Arab puppets. "Every time he feels the pinch of the sanctions, he provokes another confrontation with the West," said Adel Darwish, a Middle East specialist in London who is an expert on Iraqi affairs. Above all, there is the fact that Mr. Saddam has no place to run. No country would take him, and his enemies are too many. "He is playing poker again," said an Iraqi dissident who has watched Mr. Saddam for years. "He is saying that anyone who wants to seek compliance with UN resolutions," he said.

Anti-Racist Rally In Strasbourg STRASBOURG, France (Reuters) — Several thousand French and German demonstrators marched together here Sunday to call for a Europe free of racism, anti-Semitism and xenophobia. About 3,000 Germans and 1,500 French people met on Europe Bridge over the Rhine, which marks the French-German border, then gathered later for a rally on the French side. Three Jewish cemeteries, a synagogue and a Muslim cemetery have been desecrated in the past few months in the Strasbourg area. General News The EC Commission vice president says that his main challenge is fostering political unity. Monday Q&A, Page 2. Business/Finance Four Citibank executives were forced out after a financial scandal in India. Page 7. Italy is expected to win approval for a \$9.7 billion EC loan. Page 7.



BUFFALOED — Dan Marino, the Miami Dolphin quarterback, being sacked by Bruce Smith (78) of the Buffalo Bills and losing ball. The Bills' defense stifled Marino on the way to a 29-10 victory for the American Football Conference championship. Page 13.

Hope Builds on German Rates

By Carl Gewirtz International Herald Tribune PARIS — Long seen as inevitable but in fact distressingly elusive, big reductions in German interest rates are now perceived in the financial markets to be imminent, perhaps only days away. The new perception has largely lifted the threat of a devaluation that has been hanging over the French franc and the Irish punt, analysts said. Tensions within the European exchange-rate mechanism have faded, and European bond prices have rallied — particularly in France, where the premium investors had demanded as a protection against devaluation has started to collapse. The optimism was sparked by comments late last week from the German government spokesman, Dieter Vogel, that "enormous progress" had been made within the ruling coalition parties on proposals for a "solidarity pact." That long-awaited agreement between the government, opposition, employers and trade unions on ways to redistribute the ever-increasing costs of reunification — especially through public-sector spending cuts in the west and wage moderation — is all that's needed to clear the way for the Bundesbank to drop its interest rates. The German economy is slowing, and although the Bundesbank publicly rejects the possibility of a recession, private forecasters warn that the downturn has begun and will be severe. Although Mr. Vogel said the proposals on the solidarity pact had yet to be agreed within the government, and then must be approved by the opposition Social Democrats and the unions, the reaction in financial markets last week showed that investors had jumped to the conclusion that a deal was about to be struck. "There is a growing belief in the See RATE, Page 9

'Hip' President: Was It Hype?

By Maureen Dowd and Frank Rich New York Times Service WASHINGTON — There was a lot of loud talk last week about President-elect Bill Clinton's slip-sliding away from his campaign promises. But on one major issue, he has drawn a line in the sand: his taste in popular culture. When asked the other day what slogan he would have on his desk in the Oval Office, Mr. Clinton made it clear that the buck stopped in 1977. His sign, he said, would read: "Don't Stop Thinking About Tomorrow." During the campaign, Mr. Clinton's young aides fretted constantly about how to get him to switch from the Fleetwood Mac anthem to something more, well, hip. Even Christie McVie, one of the singers in the band, which is reuniting for Mr. Clinton's sake at the inauguration, told a television interviewer that she thought the song might be more appropriate as a commercial jingle for an insurance company. But this president-elect, who paid permanent tribute to the Judy Collins hit "Chelsea Morning" by naming his only child after it, is not the sort of man who cuts and runs when he is under pressure from hip-hop lobbyists and other cultural elitists. "As of yet, I haven't heard about a grunge version of 'Chelsea Morning' coming out," said Judy McGrath, the creative director of MTV, the music channel that is putting on the hottest inaugural ball on Wednesday night. Americans will be raptly watching the Clinton See CULTURE, Page 4

WORLD BRIEFS

For New EC Official, Challenge Is Political Unity of the 12

Hans van den Broek, foreign minister of the Netherlands for the last 13 years, became vice president of the EC Commission in Brussels on Jan. 6, in charge of external relations and security affairs. He discussed Europe's future and the challenges of his new post with Robert L. Kroon for the International Herald Tribune.

new members and promote a common destiny mentality in security affairs.

Q. How does that fit with EC's lack of common action in the Yugoslav conflict?

A. The Yugoslav drama has traumatized West European people and done more damage to the process of European unity than the hassle about Maastricht. The sad truth is that one year of diplomatic efforts and economic sanctions

MONDAY Q&A

only helped convince the Serbs, especially Radovan Karadzic, that wholesale massacre, rape and ethnic cleansing could go unpunished. The time has come for a concerted European stand, together with the United States.

I admire the perseverance of Cyrus Vance and David Owen, but without a credible threat of enforcement their peace efforts are doomed, despite the apparent Serbian about-face last week in Geneva. The co-chairmen must get the tools to get the job done, or the Serbs will

continue tearing up agreements as soon as they are signed.

Q. The United States, Great Britain and other EC members are wary of military intervention on the ground. Aid workers and UN peacekeepers could become targets for Serbian revenge if the no-fly zone is enforced. Do you believe those risks are worth taking?

A. I am aware of the risks and Yugoslavia is no Somalia. But we should not become hostage to those risks and accept the much greater danger of continuing paralysis. Until now Europe's divisions have only helped convince the Serbs that they have nothing to worry about. I believe the United States is fully prepared to take action together with Western Europe, but the Europeans have to make up their mind. If nothing is done, the civil war in Bosnia could spill over to the Balkans and the former Soviet Union. If the new world order is being perceived as a license for ethnic cleansing and unilateral annexations, Europe is in for real trouble. The time has come to move from peacekeeping to peace-enforcing.

Q. Are EC member governments more inclined to take action now than in the past?

A. I think so, but it's a step-by-step process. I think that even Great Britain is coming around to the notion that something must be done. France is more determined than ever. Germany is showing a greater willingness to make its contribution, despite constitutional hurdles, continuing Socialist opposition and the factor of German history in Yugoslavia, which is anathema to military involvement. Even in Holland, long a pacifist nation, we are putting our money where our mouth is. We have 18 F-16s standing by to participate in allied enforcement of the "no-fly" zone.

But let's first see if the Security Council can put real teeth into stronger enforcement resolutions without risking a Chinese or even Russian veto. It is still not easy for Moscow to support a hard line against the Serbs. Traditional ties between the Red Army leadership and Belgrade remain strong, as Gorbachev reminded us recently. Butros Ghali has asked for 10,000 additional UN troops. That's fine, but will their mandate again

be peacekeeping instead of peace-making? In final analysis, the United States may have to take the initiative again, but that could provide the jolt for Europe to get its act together.

Q. Further down the road, how do you see the relationship between the United States and the European Community?

A. The security component in our trans-Atlantic relationship will endure. There is no substitute for NATO. I am not too pessimistic about the American commitment, in spite of some isolationist voices and the growing notion in the United States that Europe should put its own house in order. In that sense, Maastricht clearly shows the way. We already have the West European Union as our own instrument for conflict control. The WEU can be the European nucleus of the NATO alliance with the Americans and Canadians. It is of immense importance to the United States to help keep this old continent stable and in peace. The shared values between Europe and the United States go way beyond mere military considerations.

Khmer Rouge Holds UN Observers

PHNOM PENH (Reuters) — At least four British peacekeepers have been taken hostage by Khmer Rouge guerrillas in north-west Kampong Chhnang Province, United Nations sources said on Sunday. The men, part of a naval observer team of the UN Transitional Authority in Cambodia, were abducted while on a routine maritime reconnaissance along the Sen River, the sources said. A UN official confirmed the hostage-taking and said, "During the first 24 hours we don't want to attract too much attention."

Israel Opens Hearing on Deportees

JERUSALEM (Reuters) — A court challenge to Israel's expulsion of hundreds of Palestinians opened Sunday with the state warning that an order to bring the deportees home would be a "fatal blow" to security organizations.

Seven judges are to rule on nine petitions demanding that the deportations to southern Lebanon, made without the agreement of the Beirut government, be declared illegal. The court case will resume Wednesday, a court official said. The deportees remain stranded in a frigid no-man's-land between Israeli and Lebanese lines on the edge of the strip of Lebanese territory occupied by Israel. Neither country will accept responsibility for them.

Malaysia and Sultans Reach Accord

KUALA LUMPUR (AP) — Prime Minister Mahathir bin Mohamad and the hereditary monarchs of six Malaysian states agreed Sunday on a modified government proposal to end the monarchs' immunity from prosecution.

Mr. Mahathir said both sides had agreed to changes in the original government bill, which was to be debated in parliament starting Monday. He gave no details of the compromises. Last week, he said the bill would amend the constitution to revoke the immunity from prosecution currently enjoyed by the monarchs. He said the government could not permit the sultans or their families to commit crimes, such as assaulting people or not paying debts, without facing any consequences.

Let Us Govern, Right Tells Mitterrand

PARIS (Reuters) — The French right warned President Francois Mitterrand over the weekend not to stand in the way if the opposition wins the general legislative election scheduled for March.

Leading figures in the main opposition Rally for the Republic made it clear that a rightist government would not be intimidated by the Socialist president's wide powers and would carry out its own plans boldly. "We shall do what we think we have to do," said the former finance minister, Edouard Balladur, widely considered a likely prime minister, in an interview published Sunday in the Journal du Dimanche.

Opposition leaders, who remember a 1986-88 "cohabitation" experiment in power-sharing with Mr. Mitterrand, want him to take the expected Socialist rout as a personal rebuff and leave. But Mr. Mitterrand, 76, so far refuses to bow out before his term ends in 1995.

Rao Reshuffles Cabinet in New Delhi

NEW DELHI (Reuters) — Prime Minister P. V. Narasimha Rao of India brought four experienced men into his cabinet on Sunday in a major reshaping of his government to tackle one of the country's worst crises.

Mr. Rao said he had dropped 14 of his 54 ministers, who handed in their resignations en masse on Saturday, but would not say who they were until President Shankar Dayal Sharma accepted the resignations. Mr. Rao revamped the cabinet after heavy criticism that followed the destruction of a mosque by Hindu nationalists that unleashed religious violence in which about 1,700 people have died.

Back in the cabinet are Pranab Mukherjee, a former finance minister, Dinesh Singh, a former commerce minister, and N. K. P. Salve, a former finance commission head. All are strong supporters of the radical economic changes that Mr. Rao instituted on taking power in June 1991. Another experienced politician brought into the cabinet is A. K. Antony, the former chief minister of the southern state of Kerala.

TRAVEL UPDATE

Americans Warned of Terror Threat

MANAMA, Bahrain (AP) — United States embassies in the Gulf warned Americans over the weekend of the danger of Iraqi-inspired terrorism as tension remains high over Baghdad's defiance of the United Nations.

"The United States believes that Baghdad might attempt terrorist attacks against coalition and other Western interests in response to recent military action against Iraq," an advisory to American nationals said. "The threat is greatest in Iraq and neighboring countries. Limited terrorism against U.S. interests by indigenous groups expressing solidarity with Iraq in some European and other countries is also possible," the warning said. It followed the Jan. 13 allied air raids on Iraqi missile sites.

Windsor Castle has reopened two months after fire caused \$90 million in damage. The framework of St. Georges Hall and the Grand Reception Room, both gutted in the Nov. 20 blaze, have been made safe. (UPI)

LOT Polish Airlines is offering round-trip fares to Warsaw from New York (\$448) and Chicago (\$498), provided they are purchased by Jan. 31 and at least seven days in advance. The fares are higher for Saturday departures: \$498 from New York and \$548 from Chicago. Passengers must stay 7 to 14 days in Poland. The fares, which began this month, are available until March 28. (NYT)

Cathay Pacific Airways' ground workers have threatened to join flight attendants on the picket line, Hong Kong's TVB television station reported. The airline's Local Staff Union, which represents check-in and baggage staff, told management that if the flight attendants' dispute is not settled by 6 P.M. Monday its members will also walk off the job, TVB said. The report follows a weekend of disruption to Cathay flights. At least half were canceled, and many were delayed. (Bloomberg)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

- MONDAY: Guam, Puerto Rico, United States, Virgin Islands.
- TUESDAY: Ethiopia, Georgia.
- WEDNESDAY: Guinea-Bissau, Indonesia, Lesotho, Malaysia, Mali, Oman, Sudan.
- THURSDAY: Barbados, Dominican Republic.
- FRIDAY: Hong Kong, Taiwan.
- SATURDAY: Brunei, China, Hong Kong, Korea, Macau, Malaysia, Mongolia, Singapore, Taiwan.

Sources: J.P. Morgan, Reuters.

2 London Papers Run The Royal Transcript

LONDON — Two Sunday tabloids published full transcripts of an intimate, taped conversation said to be between Prince Charles and a woman friend.

The Sunday Mirror and The People are the latest newspapers to reveal the entire transcript. The transcript first appeared last week in the Australian magazine New Idea; three Irish and two British newspapers followed suit. Buckingham Palace has refused to comment on the transcript, which reportedly captured Prince Charles murmuring bedtime endearments via portable telephone to a friend, Camilla Parker Bowles.

The Sunday Mirror's editor, Colin Myler, in a Page 2 statement carrying the headline "Your Right to Know," said the future king's royal subjects deserved to know the details of the exchange. "Yes, I will be criticized," Mr. Myler wrote. "Yes, I will be damned. But why should the people of Britain be treated with such hypocrisy and contempt?" The People started its transcript on the front page, with the headline: "Read the Royal Love Tape in Full." In an editorial, the newspaper pointed to widespread circulation of the transcript. "Not all our readers are MPs or bankers or spies," it said. "Not all our readers have faxes in their sitting rooms. So why should you be read?" The transcript is of a tape recorded on Dec. 18, 1989. New Idea said it had authenticated the conversation by experts whom it did not identify. The date is less than two weeks before an electronic eavesdropper Diana, and a male friend. The royal couple separated last month. Neither has commented on the tapes.

Yugoslav Artillery Opens Up On Muslim Points in Bosnia

Compiled by Our Staff From Dispatches SARAJEVO, Bosnia-Herzegovina — Yugoslav cannons lobbed shells at Muslim military positions in Bosnia on Sunday, briefly rejoining the Yugoslav Army into the war it quit more than seven months ago.

The shelling was in response to artillery attacks from guns of Muslim-led Bosnian government forces that hit targets on Yugoslav territory, said Tanjug, the official Yugoslav press agency.

Offering no details, it said the army "responded fiercely" to the artillery attacks Saturday and Sunday. A source at army headquarters in Belgrade said the response involved no ground troops, only cross-border artillery salvos.

The action represented the first time that Yugoslavia, now consisting only of Serbia and Montenegro, had acknowledged involvement in the Bosnian war since May 19, when the last Yugoslav units formally pulled out, leaving tanks and other heavy weapons for Serbian rebels.

Since then, Yugoslav and Serbian officials have denied widespread accusations that they are helping Bosnian Serbs.

Word of renewed Yugoslav involvement came as a United Nations convoy on Sunday reached Zepa, a besieged Muslim town in eastern Bosnia, in a third attempt to get 80 tons of food,

medicine and other relief supplies to its inhabitants, a UN official said.

A spokesman for the UN force in Bosnia said the convoy was within two kilometers of Zepa, where it was waiting for Muslim militia to clear a minefield. Zepa has been cut off since the civil war began in Bosnia nine months ago.

The cross-border artillery exchanges were in the region of Bratunac, a Bosnian town 120 kilometers (75 miles) northeast of Sarajevo. Local Serbian commanders were trying to counter a Muslim offensive they said was the toughest there since the war began.

They accused Muslim-led troops of recent massacres of civilians in the region.

Bosnian Serbs have been considered the chief perpetrators of massacres and other war crimes. But evidence of large-scale civilian deaths was visible in Bratunac on Saturday, when a reporter saw about 100 freshly dug graves in the cemetery. Some tombstones bore names of victims as young as 12.

Tanjug reported at least 46 Serbian fighters and civilians killed around the village of Skelani, about 30 kilometers south of Bratunac.

Getting the war stopped and gaining international recognition

for Bosnian Serbs brought Radovan Karadzic, the Serbian nationalist leader, back during the weekend to his headquarters in Pale, 20 kilometers east of Sarajevo.

Mr. Karadzic is under a deadline to accept a peace plan drawn up by negotiators for the UN and the European Community, or face the possibility that Western nations might intervene in the conflict on the side of the Muslims.

The plan goes before an assembly of Bosnian Serbian legislators on Tuesday. Under the plan, Bosnia would be divided into 10 semi-autonomous regions, effectively ethnic enclaves, under a weak central government.

Bosnian Serbian and Yugoslav officials said the shells fired Saturday and Sunday by the Muslim-led government troops hit villages on the Serbian side of the border and the Pernac power plant. One person died Sunday as a result, Belgrade radio said.

The Yugoslav government condemned the Muslim shelling. It protested against the "de-militarization of the Serbian people" and said the world was ignoring a purported massive Croatian military presence in Bosnia-Herzegovina while accusing Serbia of abetting Bosnian Serbian rebels.

(AP, Reuters, NYT)



Radovan Karadzic, the Serbian nationalist leader, with a map indicating a divided Bosnia.

U.S. Unwilling to Take Risks for Bosnia, Eagleburger Says

By Norman Kempster  
Los Angeles Times Service  
WASHINGTON — Despite growing evidence of freezing and starvation in Bosnia-Herzegovina, the United States and its allies are simply unwilling to take the military risks that would be necessary to ease the suffering, Secretary of State Lawrence S. Eagleburger said over the weekend. The Bush administration has concluded

ed that only a huge deployment of ground troops would be enough to protect relief convoys in Bosnia, Mr. Eagleburger said, because air power alone would not suffice.

He said Washington and its allies were unwilling to go that far, despite President George Bush's promise last summer to do "anything it takes" to get food and medicine through. He said punitive air strikes against

Serbia might force the Belgrade government and its ethnic allies to lift the siege of Bosnia.

But he quickly added, "You can't be sure it would work, and if it doesn't, what's your next step?"

"Each one of these issues has to be looked at as a possible escalation which, if it doesn't work, leads you to think about what the next thing you do is," he said.

"None of the parties that I know about is prepared to take that kind of chance. Maybe the new administration will be. Whether they can convince the allies is another thing."

Speaking of the fighting in the Balkans, he said: "I'm bothered by it on a personal level, but I'm not as bothered by it professionally as I am sure you think I should be.

"If these people are intent on killing each other for what any sane American has to judge are totally irrational reasons," he added, "then the ability of the United States to cope with that, particularly alone, has to be recognized to be limited."

He said that "it is a problem for which at this stage there is no answer that is within the realm of what any of the major powers are prepared to do."

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Magazine's Sympathy for Honecker

New Yorker Prints Unsigned Article by Wife of Defender

By Howard Kurtz  
Washington Post Service

WASHINGTON — The New Yorker piece about the trial of Erich Honecker, the former East German leader, had a strikingly sympathetic tone:

"Honecker's enthusiasm for the working class and for Communism is still fresh, boyish. Neither old age nor years of authority seem to have altered Honecker's ideals. The spectators of the trial might even see the remains of a hero."

What the magazine did not tell its readers was that the "Talk of the Town" piece was written by Irene Dische, who is married to one of

Mr. Honecker's defense lawyers. Ms. Dische, an American who has lived in Berlin for 12 years, was allowed to attend a closed-court hearing in the case because of her husband, Nikolas Becker.

"How can I be biased just because it's my husband?" she said. "What if he was a lover, or close friend? Of course he influences the way I see things, but not more than loads of my friends — I'm a little bit emancipated from my husband."

Alexander Chancellor, editor of the "Talk of the Town" section, said that "in a perfect world" the Dische byline should have run and

her connection to the Honecker defense noted. That was not done, he said, because such pieces are traditionally unsigned, and there was no room elsewhere in the magazine.

Although Ms. Dische is "known as a left-wing writer," Mr. Chancellor said, "she's a well-known writer and established journalist, not just some lawyer's wife." Ms. Dische is a free-lancer who writes for Der Spiegel magazine and two major German newspapers.

Mr. Honecker, 80, who doctors say is dying from liver cancer, flew to Chile last week after an appeals court terminated his trial. He was charged with manslaughter in the deaths of East Germans killed while trying to escape from the former Communist state.

[Doctors in Chile who examined him said Mr. Honecker might undergo new tests to determine whether it is possible to remove the malignant tumor in his liver; the Associated Press reported from Santiago.

[An official at a Santiago clinic said the tests that Mr. Honecker needed — to determine "whether we are dealing with a primary or secondary tumor," that is, whether it originated in the liver — were "aggressive, uncomfortable, painful," and that an operation would be "complicated and risky."

Mr. Becker has led a public campaign to create sympathy for Mr. Honecker, a theme echoed by his wife, who wrote that Germany "doesn't want to ruin the show by allowing a perfectly sick old man to get off without a fair trial."

Ms. Dische quoted extensively from medical testimony given at the otherwise closed hearing. "I was treated as part of the court," she said. "The judge knew exactly who I was. My husband asked him if I could stay."

A spokeswoman for the New Yorker said the editors liked the fact that Ms. Dische had "unusual access" to the trial.

The magazine's editor, Tina Brown, said in a statement: "The issue is the integrity, not the identity, of the writer. Irene Dische's views are shared by many other reputable journalists throughout the world."

Sammy Cahn Dies at 79, Oscar-Winning Lyricist

By Stephen Holden  
New York Times Service

Sammy Cahn, the prolific lyricist and four-time Academy Award winner whose long list of hit songs included "All the Way," "Day by Day," "Time After Time" and "Three Coins in the Fountain," died of heart failure Friday at Cedars-Sinai Medical Center in Los Angeles. He was 79 years old.

Mr. Cahn, whose most important collaborators were the composers Jule Styne, Jimmy Van Heusen and Saul Chaplin, won Oscars for his words to "All the Way," "Three Coins in the Fountain," "High Hopes," and "Call Me Irresponsible." All four were hits for

Frank Sinatra, a singer with whom Mr. Cahn was closely associated since the 1940s, and all except "Three Coins in the Fountain" (which had a melody by Mr. Styne) had music by Van Heusen.

Mr. Cahn was also famous for adapting his own and other people's songs for special occasions. He wrote new lyrics for his 1959 hit "High Hopes" for John F. Kennedy's presidential campaign.

Mr. Cahn had been president of the National Academy of Popular Music, which is also known as the Songwriters Hall of Fame, since 1973.

Ed A. Hewett, an Authority On the Former Soviet Union

WASHINGTON (AP) — Ed A. Hewett, a National Security Council staff member who was considered an authority on the economies of Russia and other nations of the Commonwealth of Independent States, died of cancer Friday. Mr. Hewett, 50, was President George Bush's special assistant and senior adviser for Russian and Eurasian affairs. He joined the NSC staff in 1991 and recently received a special exceptional service award from Mr. Bush.

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TRANSITION/PAGES FROM A PRESIDENTIAL JOURNAL

POLITICAL NOTES

Can Clinton Replace the Appointees in Time?

WASHINGTON — In a last-minute wrangle between the old and new administrations, the White House has demanded the resignation of hundreds of senior Bush political appointees...

FBI Chief Accused of 'Sham' on Limousine

WASHINGTON — A Justice Department ethics inquiry has found that William S. Sessions, the FBI director, engaged in a "sham arrangement" to avoid paying taxes on the unofficial use of his government limousine...

Clinton Expected to Act on Abortion Curbs

WASHINGTON — President-elect Bill Clinton intends to mark his first days in office by signing executive orders to lift the rule prohibiting abortion counseling in federally financed clinics...

Perot Plans a Major Effort on Legislation

DALLAS — Ross Perot plans a major effort to influence legislation on Capitol Hill during the early years of the Clinton administration, starting with the May 1 special election in Texas...

Quote/Unquote

"Maybe all of us were a little bit surprised by how quickly this all comes upon you," said George Stephanopoulos, the communications director.

New Team Opens Its Inaugural Celebration

The Associated Press WASHINGTON — Bill Clinton and Al Gore rolled triumphantly into Washington on Sunday, starting five days of inaugural pageantry and dedicating their administration to the millions who cheered their trademark bus tours.



Vice President-elect Al Gore with his wife, Tipper, rehearsing at the lectern at the West Front of the U.S. Capitol for the Inauguration.

Bush Diary Recounts Iran-Contra Knowledge

By Walter Pincus and George Lardner Jr. WASHINGTON — The White House has released excerpts of a long-secret diary that President George Bush started the day after covert arms sales to Iran were first disclosed in November 1986...

Bentsen's Sweetheart Deal: Here's How

By Jeff Gerth New York Times Service WASHINGTON — In 1988, Senator Lloyd Bentsen, who will be the top financial regulator for President Bill Clinton, was invited by a Texas savings and loan operator to buy stock in a new company.

Bentsen can be seen as a demonstration of the personal financial rewards that come with political power, and thus represents precisely an aspect of the Washington system that Mr. Clinton has vowed to change.

Mr. Bentsen's long-time relations with Mr. Kosberg earned him the right to buy the stock, an investment available to only 11 other people, including two of Mr. Bentsen's former top aides.

Mr. Bentsen's new duties at the Treasury Department include supervision of banks and the savings and loan industry, whose political connections played a major role in the costly scandal that helped spawn the public outrage over the way Washington works and helped shape the 1992 presidential campaign.

Away From Politics

- Rain pelted already saturated Southern California, flooding homes and straining reservoirs as residents were urged to leave areas along the Tijuana River in San Diego. Just across the border in Tijuana, Mexico, mudslides and floodwaters killed six children and two adults, bringing to 25 the number of people killed in storms in the last two weeks.

- Health-care spending continues to rise at an alarming rate, and the U.S. medical bill could consume 32 percent of the entire economy by the time the baby boomers reach their 70s and 80s, a new government forecast warns.

Attorney General Nominee Pays Fine on Illegal Aliens

By Clifford Krauss New York Times Service WASHINGTON — The Immigration and Naturalization Service sought and received payment of a \$2,900 fine from Attorney General-designate Zoë Baird and her husband for employing a Peruvian couple living in the country illegally.

The \$2,900 civil penalty, paid over the weekend, comes on top of \$8,000 in back Social Security taxes that Ms. Baird, and her husband, Paul D. Gewirtz, a constitutional law professor at Yale University, paid in a lump sum earlier this month.

The hiring of the illegal aliens as baby sitter and driver, as well as the failure to pay Social Security taxes for them, has proven embarrassing to Ms. Baird, who as attorney general would be in charge of enforcing immigration policy.

Senator Orrin G. Hatch of Utah, the ranking Republican on the panel, endorsed Ms. Baird despite the controversy. After briefly discussing the possibility of delaying confirmation proceedings, Republicans and Democrats on the panel agreed to hold hearings on Tuesday as originally scheduled.

George Stephanopoulos, President-elect Bill Clinton's communications director, issued a statement over the weekend saying: "Ms. Baird has taken responsibility for this matter and acknowledges that to have hired any employee before receiving the necessary authorization was a mistake. She deeply regrets the mistakes she has made in this matter."

The statement continued, "President-elect Clinton has complete confidence in Zoë Baird."

Defenders of Reporter Attack Time Magazine

WASHINGTON — The war of words over Time magazine's recent report on Dusk Doder, a former Moscow correspondent of The Washington Post, continues to gather force.

but failed or refused to say so in its story," the letter said. Time deleted the latter sentence in publishing the letter last week.

Forty-one journalists, including 12 at The New York Times, have signed a letter to Time protesting its suggestion that Mr. Doder was co-opted by the KGB in the early 1980s. Stanley W. Cloud, Time's Washington bureau chief, has accused Mr. Doder's defenders of "hypocrisy" for applying a lesser standard to a colleague.

The Post's two top editors, meanwhile, have charged that Time "altered the substance" of their recent letter to the editor without consulting them.

Time reported last month that Vitali Yurchenko, a KGB colonel who briefly defected to the United States in 1985 and then redefected to Moscow, told U.S. officials he had heard that Mr. Doder once accepted \$1,000 from a KGB officer in what was then the Soviet Union. Mr. Doder has called the allegations "ridiculous" and "insane."

He added that the Time article repeatedly noted that FBI officials had concluded that "they had no ground on which to prosecute Doder."

"I made the inference that the KGB was involved in feeding him information, but there was no indication he did anything for them, or became a propaganda vehicle or supplied information in return," Mr. Webster said. "I don't know anybody who thinks that here was a spy that got away." He said he gave Time the same account.

The FBI inquiry was a central point in a letter to Time from Leonard Downie Jr., executive editor of The Post, and Robert G. Kaiser, its managing editor.

Their letter said that Mr. Webster had told The Post "that there was no evidence that Doder had done anything improper or had any connection to the KGB."

"Time was told this repeatedly"

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Q3. The Dow Jones industrial average at the 4 P.M. close on April 30, 1993 will be:
Q4. The value of the U.S. dollar in Deutsche marks or yen at the 4 P.M. close in New York (as reported in the Trib) will be (choose either currency):

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# RAID: U.S. Warships Fire Cruise Missiles at an Iraqi Nuclear Installation

(Continued from page 1)

The situation with Prime Ministers John Major of Britain and Brian Mulroney of Canada as well as President François Mitterrand of France and Turkish officials.

As the attack was mounted, at about 10 P.M. Baghdad time, anti-aircraft fire and tracers filled the night sky above the Iraqi capital. The Iraqi nuclear plant was reported to have been singled out by U.S. and allied warplanes during the Gulf War, which began precisely two years ago, but was not destroyed. Later, it was visited by UN inspectors.

An Iraqi-born journalist working for a British newspaper was caught, tried and hanged in Baghdad a few years ago after he was found near the plant.

Cruise missiles are highly sophisticated weapons that are programmed with maps of the anticipated terrain. Military sources say the missiles "read" the terrain as they fly low over the ground to avoid radar detection, making them capable of very precise hits — often within a few meters. Mr. Fitzwater said the Tomahawk cruise missiles were used to avoid U.S. casualties.

Mr. Fitzwater said the nuclear plant was selected not only because it was part of Iraq's "weapons-of-mass-destruction program," but also because its proximity to Baghdad made a political point to the Iraqi regime and populace and because it was vulnerable to cruise missile attack.

Iraq and the U.S.-led coalition have been at odds over the right of UN weapons inspectors to enter Iraq at will to oversee the destruction of Iraq's chemical, nuclear and biological weapons facilities. In addition, Baghdad has complained bitterly about two "no-fly" zones, which were imposed by the United Nations to

protect Iraqi Kurds in the north and Shiites in the south.

Mr. Fitzwater said British and French warplanes had joined U.S. planes on Sunday's patrol in which the MiG-23 was shot down. Only U.S. planes were reportedly involved in the aerial combat, and there were no allied casualties.

A second military clash took place to the south early Sunday. As three Iraqis crossed into Kuwait, one was killed and a second captured when the encountered a Kuwaiti border patrol, according to U.S. and Kuwaiti officials. The third man escaped.

In announcing the early air clash, Mr. Fitzwater termed the situation "serious" and "on-going" but he gave no specific indication that a cruise missile raid was imminent. He said the United States and its allies, primarily Britain and France, were reviewing options on an "urgent" basis.

Key members of Congress were kept abreast of the situation, Mr. Fitzwater said. One key Democrat, Representative Lee H. Hamilton of Indiana, the next chairman of the House Foreign Affairs Committee, said every effort should be made to prevent Saddam Hussein, the Iraqi leader, from eroding the UN coalition.

Defense Secretary Dick Cheney said Sunday that Mr. Hussein appeared "determined to create confrontation" with Washington.

Before the aerial battle over northern Iraq, Iraqi officials had warned that they viewed the two air exclusion zones imposed by the UN as illegitimate and suggested that intruding aircraft would be subject to radar detection and possible attack.

In addition, Mr. Saddam, on Iraqi television, heatedly denounced the United States on the

second anniversary of the 1991 launch of the Gulf War to free Kuwait.

Later, after its MiG-23 aircraft had been shot down, Baghdad offered more generous terms for UN weapons inspectors to fly into Iraq from Bahrain.

But the Iraqis conditioned their willingness to accept UN flights into Iraq from Bahrain on the willingness of the U.S.-led coalition to suspend its military flights over southern Iraq.

On Saturday, the United Nations rejected an Iraqi offer to permit UN inspectors into Iraq via Jordan. The United Nations is demanding unrestricted access. At the same time, a dispute was brewing over the location of Iraqi police posts along the Kuwaiti border, which Iraq does not recognize.

American military officials were quoted as saying that a U.S. F-16 fired an AMRAAM air-to-air missile to bring down the Iraqi MiG.

After an Iraqi anti-aircraft radar site "painted" a U.S. aircraft, the site was attacked by a HARM missile fired by a U.S. F-4G Wild Weasel, but officials could not say whether it was destroyed, according to The Associated Press.

Mr. Clinton's chief spokesman, George Stephanopoulos, said in a broadcast interview after the air battle was announced that there was "no daylight" between the Bush and Clinton policies on Iraq and on Mr. Saddam.

"He is not going to get away with it," either with Mr. Bush or Mr. Clinton, Mr. Stephanopoulos said. "If his behavior doesn't change, he's going to be in trouble."

Warren M. Christopher, the incoming secretary of state, said the Clinton team fully expected an ongoing test by Mr. Saddam but that over time he will be worn down.

# U.S. Forces Ready for a Hand-Over In Somalia

Compiled by Our Staff From Dispatches

MOGADISHU, Somalia — The United States could hand over command of peacekeeping troops in Somalia to the United Nations in two weeks, a military spokesman said Sunday.

"We feel we're rapidly approaching the point where we'll be able to make a very smooth handover to the United Nations command that's going to follow us," said the spokesman, Colonel Fred Peck of the U.S. Marines. "We are perhaps only a matter of a couple of weeks away from being at that point."

Colonel Peck, chief military spokesman for U.S. forces in Somalia, said the American-led task force had established eight humanitarian relief centers in the famine-hit interior.

"The tough nut still is here in Mogadishu," he said, adding that Major General Charles Wilhelm, commander of operations in the capital had "given himself a goal of achieving relative calm and stability here by the end of the month."

He said 850 Marines, the first big unit to leave Somalia since the task force arrived on Dec. 9, would start flying to their base at Camp Pendleton in California on Tuesday.

About 900 Australian troops are replacing the Marines in the town of Baidoa.

Robert B. Oakley, Washington's special envoy, said last week that the United States would keep a "very large presence" in Somalia after handing over military command to the United Nations.

U.S. troops and bomb disposal units on Sunday examined the biggest Somali arms cache the multinational task force has found so far.

An army squad stumbled on rockets, artillery shells, mortar rounds and anti-tank mines on Saturday. Five underground concrete bunkers measuring about 40 meters by 10 meters (about 130 feet by 33 feet) were stacked on the ceiling with ammunition and assault rifles, mainly from the former Soviet Union.

"We got Russian, we got Chinese, we even got some U.S.," an army lieutenant said at the site of the cache, about 15 kilometers (9 miles) northwest of Mogadishu.

Arabic markings on some shells and an ammunition box marked suggested that some of the arms had come from Egypt, one supplier of the army of Mohammed Sial Barre, the former president.

(Reuters, NYT)



U.S. military police guarding Soviet-made missiles found Sunday in a bunker near Mogadishu.

# Gore Advocates Trial of Saddam For War Crimes

Reuters

WASHINGTON — Vice President-elect Al Gore called Sunday for the creation of a war crimes tribunal to try Saddam Hussein, but declined to say that the Iraqi president should be captured if such a tribunal found him guilty.

Mr. Gore said on national television he would recommend that Mr. Saddam be tried, a proposal he suggested before Bill Clinton picked Mr. Gore as his vice-presidential running mate. "I will certainly urge that that be done," he said.

"War crimes have certainly been committed, and are being committed, from all accounts," Mr. Gore said. "The violence against two large groups of dissenters in Iraq continues, and there are UN resolutions specifically forbidding that."

He said that there were existing forums to try Mr. Saddam, but that it was premature to say he should be captured, as Washington seized Manuel Antonio Noriega, the former Panamanian ruler, for trial in the United States.

# Saddam 'Courting Trouble,' Major Says in Backing Raid

By William Schmidt

New York Times Service

LONDON — Declaring that President Saddam Hussein had been "courting trouble" and now "has had trouble," Prime Minister John Major of Britain said Sunday night that the U.S. cruise missile attack on Iraq was undertaken with the full consultation and approval of Britain and its Gulf War allies.

"If they will not comply then, there will be a response," he said, referring to the Iraqi government's refusal to comply with United Nations Security Council resolutions.

Speaking at 10 Downing Street, Mr. Major said the U.S. action was taken "after a great deal of consideration, after a great deal of consultation and after giving Iraq every opportunity to comply with UN Security Council resolutions."

"It is willful disobedience of the international community time and time again," Mr. Major said. "He has been courting trouble. He has had trouble."

Mr. Major would not speculate on whether there would be further attacks, saying: "I am not going to anticipate what might happen."

No British or French aircraft or personnel took part in the attack on Sunday, but British officials said six Tornado jet fighters based in Dhahran, Saudi Arabia, were on alert.

[France said it had not taken any part in the operation launched Sunday against Baghdad, Agence France-Press reported. "No French resources were engaged, and the Defense Ministry has no comment to make," the ministry said.]

The British government was joined by leaders of the country's two major opposition parties in endorsing the mission. David Clark, the Labor Party's defense spokesman, said Mr. Saddam "has been taught another lesson that he has to abide by those cease-fire conditions."

# IRAQ: Saddam Gamble

(Continued from page 1)

deal with Iraq has to deal with him on his terms, not theirs."

Although Mr. Saddam's track record of miscalculations is long, he may have sound reason now to believe that at a small cost he can tilt the balance of power of the coalition that fought him just enough to win breathing space.

Although aware that Iraq is not in any military position to threaten its neighbors, he apparently calculated that his country is capable of becoming a low-level threat that can keep vulnerable Gulf countries like Saudi Arabia and Kuwait on edge.

Mr. Saddam asserted Sunday that Iraqis and Kuwaitis "are one people" and would ultimately be united.

Much of this is bluster. But one underlying message in the Iraqi president's speech was meant for the Clinton administration.

Mr. Saddam is serving notice that although Iraq may indeed be down, he is still in control and will remain a thorn in the side of any inhabitant of the White House — particularly one like Mr. Clinton, who has repeatedly said his priorities should be domestic.

(Reuters, NYT)

# CULTURE: Hip President? Hip-Hop Set Wonders

(Continued from page 1)

inauguration this week, not only to hear the new president's plans (and possibly find out what happened to the middle-class tax cut), but also to get a sense of the cultural style of the next White House.

In the campaign, Bill Clinton and Al Gore promoted themselves as the cool, baby-boom generation alternative to George Bush, a 60-something president whose idea of a cutting-edge cultural event at the White House was a visit by Siegfried and Roy, the Las Vegas lion tamers, or the actress Bo Derek.

While Mr. Bush resisted talking with MTV until the end of the campaign, saying he did not want to be seen as a "teeny-bopper," Mr. Clinton happily gave an MTV interview ("Wow, this set is cool," he told the producers) and jazzed up his faltering campaign with saxophone gigs and Elvis imitations.

Now, perhaps because he hyped the hip, the small but hardy band of Washington cultural pundits have not waited for the curtain to go up before pouncing on "Elvis" Clinton and the self-professed "Dead-head" Vice President-elect Gore, who has been posing in a tie designed by the Grateful Dead's Jerry Garcia.

"It turns out that philistinism is a bipartisan phenomenon," Leon Wieseltier, the cultural editor of The New Republic, wrote last

week. "Sensitive souls were shaken a few months ago to learn that Clinton's favorite musician is Kenny G." He said Maya Angelou, the inauguration poet, is no Robert Frost, calling her "a cross between Rod McKuen and Maxine Waters."

And it is not only the highbrows who are grumbling. Commenting on Mr. Clinton's musical taste, the savants of "Wayne's World" on the television comedy show "Saturday Night Live" patronizingly informed Mr. Clinton, "It's the '90s."

When a guard at the Lincoln Memorial told Joan Yoshiwara, 40, a visitor from Honolulu, that she had just missed the rehearsal for the Sunday musical gala at the monument, Ms. Yoshiwara asked who would be performing.

With awe in his voice, the guard recited off a list that included Tony Bennett, Michael Bolton, Kenny Rogers and Diana Ross. Ms. Yoshiwara, who would rather have heard some inaugural rap by Arrested Development or Naughty by Nature, complained that the music was in the "dinosaur" category.

Mr. Clinton, who plays Dave Brubeck compact disks and reminisces about taking college dates to Ray Charles concerts, certainly is way ahead of his idol, John F. Kennedy.

Jacqueline Kennedy once said that the only music her husband liked was "Hail to the Chief."

Despite all the talk about the New Generation by the first political tinker whose members came of age with anti-establishment rock and roll in the '60s, there is a sneaking suspicion that this White House will comprise the sort of grads who stayed in the library studying when the entire campus emptied out for a concert by Jimi Hendrix or The Doors.

Mr. Clinton's cultural sensibility mirrors his political style, which aims not to offend and obsessively seeks consensus. The inaugural tone, cool by compromise and hip by committee, is the cultural version of Mr. Clinton's famous "I never inhaled" quote, with the angrier edge of Vietnam War-era music sanded down.

# Cambodia Body Identified As That of NBC Reporter

NEW YORK — Human remains dug up in Cambodia last March have been identified as those of Welles Hangan, then 40, an NBC correspondent who disappeared 23 years ago while covering the war in Southeast Asia.

Mr. Hangan's remains were positively identified by the U.S. Army Central Identification Laboratory in Honolulu.



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# Miyazawa Urges Defense Strategy For Southeast Asia

By Paul Blustein  
Washington Post Service

TOKYO — Hinting that Asian countries may need to shoulder a greater burden of maintaining their collective defense so that the United States will stay militarily engaged in the region, Prime Minister Kiichi Miyazawa has called for Asian and Pacific nations to "develop a long-term vision" for regional security.

In a speech in Bangkok on Sunday, the text of which was released here, Mr. Miyazawa urged the start of a dialogue among the countries of the region, in which "various ideas should be thrashed out" with an eye to producing "some picture of the future of this region's security" in the post-Cold War era.

Japan will actively take part in such discussions," he said, making it clear that Tokyo intended to shed more of its post-World War II inhibitions about becoming involved in Asian security affairs.

Although vaguely worded, Mr. Miyazawa's speech — billed by the Foreign Ministry as a major policy address — clearly was aimed at bolstering proposals for some sort of collective security arrangement in Asia that would include a continued military role for the United States while shifting more of the burden onto Asian countries.

The move reflects Tokyo's worries that Asia could become tense militarily, especially if Washington decided to pull U.S. troops back because of budgetary pressures and the end of the Cold War.

Those fears are widely shared by other Asians, who are concerned

that a U.S. withdrawal might spark a dangerous competition for regional hegemony among the region's other powers, including China, Russia, India and Japan.

Mr. Miyazawa's address came on the third leg of a four-nation, eight-day trip to Southeast Asia. Briefing reporters before the trip, officials said the speech would not be intended to suggest the adoption of a particular joint security arrangement, such as the one that European countries have reached with the United States. Rather, an official said, the point is that "perhaps we need to talk about this subject more."

One point the Japanese evidently hope to get across in the dialogue is the need for greater burden-sharing with the United States.

The Foreign Ministry official said Japan was not in a position to dictate that Asian countries should, for example, pay a greater portion of the cost of keeping American troops in the region.

"We are, however, in a position to suggest that we ourselves are doing a great deal," he said. Tokyo's financial contribution toward the cost of keeping U.S. forces stationed here is greater than that paid by any other country that is host to American troops.

Mr. Miyazawa said Japan's participation in the security dialogue would be based on "the belief that the presence and engagement of the United States, which has underpinned the region's peace and prosperity, will continue to play an important role in the future as a stabilizing factor for the region."



Mr. Miyazawa during his arrival Sunday in Brunei on the last leg of his Southeast Asian tour.

# Haiti Army Agrees to UN Plan Aristide Accepts Talks With Coup Supporters

The Associated Press  
PORT-AU-PRINCE, Haiti — The army announced Sunday that it had agreed to United Nations-brokered negotiations to advance democracy in Haiti.

The announcement, on state television, followed the delivery of a letter from the exiled president, the Reverend Jean-Bertrand Aristide, in which he agreed to negotiate with coup supporters for the first time since his overthrow in September 1991.

The statement followed a day-long meeting on Saturday between the UN special envoy, Dante Caputo, and army and government leaders.

[Later Sunday, Mr. Caputo said the Haitian military had agreed to the deployment of an international observer force and an opening of talks aimed at reinstating democracy, Reuters reported.

[He said he had received a letter

from Haitian Army chief, Lieutenant General Rasoul Cedras, agreeing to the civilian mission and to opening a dialogue to solve the crisis.]

The army has also agreed to the appointment of an interim prime minister, a UN source said.

Minutes after the army announcement, the government urged Haitians not to flee to the seas and warned that clandestine refugee voyages were illegal.

That announcement followed calls by President-elect Bill Clinton and Mr. Aristide to Haitians not to begin an exodus toward the United States.

The diplomatic efforts followed intensive attempts by the United States to achieve a rapid solution to Haiti's political crisis, which began with Mr. Aristide's overthrow.

The army announcement read: "The high command assured Mr. Caputo of its support." It added

that the setting in motion of the process "aims at advancing democracy in Haiti."

## Coast Guard Stops Boat

The U.S. Coast Guard has picked up 137 Haitians from a sailboat in the Windward Passage, the first group intercepted in a blockade aimed at halting an expected exodus of refugees, officials said in Miami, according to the United Press International.

The cutter Confidence was on its way to Port-au-Prince to return 74 Haitians when it encountered a 40-foot (12-meter) sailboat carrying 137 Haitians.

Five Coast Guard ships were patrolling the northwest coast of Haiti. By the time Mr. Clinton takes office on Wednesday, 17 Coast Guard and navy ships and a dozen aircraft will form a net around the coast to intercept any Florida-bound refugees.

## AMERICAN TOPICS

### 25 Pennsylvania Medical Students Are Freed From Debt Burden

Twenty-five University of Pennsylvania medical students each year will get their education tuition-free thanks to a \$10 million donation from an alumnus, Dr. Daniel H. Johnson Jr. of Boston. Dr. Johnson, speaker of the House of Delegates of the American Medical Association, said he hoped to free students from the huge debt that often dictates their specialties.

Tuition in the four-year program totals \$21,720 a year, and other expenses come to about \$10,000. The scholarships cover only tuition.

New doctors leave medical school with an average debt of \$75,000, the school said. This presses them to move into high-paid specialties like neurosurgery and anesthesiology, and steers them away from lower-paying fields like research, general practice and education.

The program started with six scholarships to medical school freshmen last fall and will increase to cover 25 freshmen in 1995. By the time those freshmen are in the final year of the four-year program — followed every year by a new crop of freshmen — 100 students will be receiving the scholarships.

The program will be funded by interest on the \$10 million donation. The university eventually hopes to receive enough donations to have 200 students in the program by the year 2000, and eventually to finance the tuition for all of its 685 students, said Dr. William Kelley, the medical school dean.

### Short Takes

More and more women are renting ball gowns rather than buying them, spending perhaps \$100 to \$300 instead of \$1,000 or more. Men, of course, have been renting formal dress for generations.

One advantage is that rental companies pay for the cleaning afterward. "Renting makes sense for an event where anything can happen," said Joan McGottigan, co-owner of Just One Affair in Washington. "People can hang into you with a drink or something, you never know. This way you won't have to worry about it."

The U.S. Supreme Court has ruled that taxpayers cannot write off the expenses of the office they maintain at home if they spend more time and do more important parts of their business elsewhere. The ruling is a defeat for consultants, independent contractors and other self-employed workers who do paperwork at home but conduct their main business outside.

It's perfectly all right to wear jogging suits on overnight plane flights rather than wrinkling one's good clothes, Judith Martin writes in "Miss Manners," the syndicated advice column. It is similar, she says, to "the convention about being officially invisible when fetching the newspaper from one's front doorstep in one's bathrobe." But she counsels against changing on the plane, which means tying up the lavatory and stuffing one's good clothes into a carry-on bag.

### About People

Despite doubts that people would pay \$25 in the midst of a recession for a book about a battle fought nearly two years before, General H. Norman Schwarzkopf's autobiography, "It Doesn't Take a Hero," has sold nearly 1,200,000 hardcover copies in less than four months; a paperback edition is expected this fall. Bob Wietrak, merchandising chief for Barnes & Noble Bookstores Inc., said, "General Schwarzkopf is a genuine hero, and people are looking for heroes these days."

Richard Chamberlain will play Professor Henry Higgins in a revival of "My Fair Lady" which is aiming for a Broadway opening in the fall. Melissa Errico, 22, of New York, survived an audition of more than 600 other hopefuls to win the role of Eliza Doolittle.

Arthur Higbee

# Tokyo Moves to Free Military From an Old Taboo

By David E. Sanger  
New York Times Service

TOKYO — Breaking a taboo that has lasted more than four decades, leaders of Japan's governing party have begun to talk openly about revising the country's constitution, hinting that the first change would be an amendment permitting Japanese armed forces to participate in United Nations peacekeeping operations.

Last week, leaders of the governing Liberal Democratic Party approved a proposal by Hiroshi Mitsuoka, the head of the largest faction in the party, to establish a committee to draft the first changes to the so-called Peace Constitution since it was imposed by U.S. occupation authorities in 1947. Mr. Mitsuoka did not say what specific changes he had in mind.

But other politicians said that a bipartisan parliamentary panel would be established, and that the first issue was likely to be

amending Article 9, which has been interpreted as greatly limiting Japan's role in peacekeeping operations. The 700 Japanese troops sent to Cambodia, for example, are confined to tasks like building roads.

It is far from clear that the party leaders will succeed. Polls continually show that public opposition to changing Article 9 is extraordinarily heavy. Amending the constitution is likely to take years.

A constitutional amendment would require approval of two-thirds of the members of the upper and lower house, a difficult goal for the ruling party, especially because it lost control of the upper house in 1989. So it would have to stitch together an alliance with smaller opposition parties and hope for some defections from the Socialist Party, which has long opposed any amendment.

But diplomats and political analysts say they believe that the effort is serious, in part

because of Japan's desire for a permanent seat on the UN Security Council.

"The question is whether they can write the amendment in a way that makes it clear to the rest of Asia that the Japanese military will not be given license to roam through the region under their own command," a Western diplomat with long experience here said. "What you are seeing is the beginnings of an effort to sell this to the Japanese public."

Prime Minister Kiichi Miyazawa, who opposes changes to Article 9, has been visiting Southeast Asian countries that have harbored fears about Japan restoring its military might. In Bangkok the other day, Mr. Miyazawa assured his hosts that "Japan shall never again become a military power."

But other party members have been increasingly vocal about the issue, and they are working toward wording altering Article 9 without actually changing the terminology

that has become a permanent part of the country's self image.

As currently worded, Article 9 seems to specifically rule out use of force.

"Aspiring sincerely to an international peace based on justice and order," it reads, "the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes."

"In order to accomplish the aim of the preceding paragraph, land, sea and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized."

Party officials say that the current thinking is to add a paragraph clarifying that Japanese involvement in UN actions — even if they include force — would not violate the earlier clauses.

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Liberal economic reforms and high returns on investments are attracting multinational companies to Pakistan on an unprecedented scale. Some, like Gillette and Coca-Cola, have come to take advantage of the seventh largest domestic market in the world: over 114 million people and a current GDP of 6.5% growth. Others, such as Daewoo, Alcatel and Shell, are capitalising on the government's aggressive

privatisation programme. They are playing a major role in developing Pakistan's infrastructure by building roads, expanding telecommunications and powering the nation.

And then there are companies like Johnson & Johnson. They are reaping the numerous benefits of Pakistan's Export Processing Zones including no import or export tariffs, tax holidays up to the year 2000, minimum red tape for

set-up, access to abundant raw materials and a productive, low-cost workforce of around 32 million people. And they are not alone. Over 229 industrial units worth around \$210 million are already operational.

Most are accessing Pakistan's historic and strong trade links with China, the former Soviet Central Asian Republics and the Middle East, a regional market of well over a billion people.

Whether you want a domestic market of millions or exports of billions, contact the Embassy of Pakistan in your country or the Pakistan Investment Board in Islamabad. Pakistan, fax: 92-51-215554.

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Herald Tribune

Haiti: Short-Term Cruelty

Candidate Bill Clinton rightly denounced George Bush for his "cruel policy of returning Haitian refugees to a brutal dictatorship without an asylum hearing." Now he intends, at least initially, to enforce the same "direct return" policy himself.

Lots of Smoke, No Gun

A House task force has diligently sifted a mountain of documents and questioned 230 people to determine whether the Reagan campaign conspired in 1980 to delay the release of American hostages in Iran and thus deprive President Jimmy Carter of a campaign boost.

The Bullies at the Door

Leaders of Operation Rescue, the anti-abortion group, claimed a great victory in the U.S. Supreme Court last week. The court ruled that a Reconstruction-era statute directed against the Ku Klux Klan cannot be invoked against protesters who try to shut down abortion clinics.

Other Comment

Bitterness Over Honecker: More on the mark is Berndt Seitz, premier of Mecklenburg-Western Pomerania, who said Mr. Honecker's release "was a slap in the face" to all the victims of Communist brutality and repression.

A 'Reformed' Iraq to Offset Iran? Forget It

By Leslie H. Gelb

NEW YORK — George Bush's policy toward Iraq was faulty because it always left Saddam Hussein with the initiative. Bill Clinton's could be worse if he is seriously thinking about trying to convert Saddam into a "good guy" and revive the idea of Iraq as a counterweight to Iran.

presidents to be evasive and even boring. Under prodding by Times reporters, he began thinking out loud, something presidents should do only with their best friends.

The Only Serbian Terms the World Can Live With

By Brian Beedham

LONDON — By the end of this week the self-appointed "parliament" of the Serbian part of Bosnia is due to tell the world whether or not it will accept the peace plan devised by Cyrus Vance and Lord Owen.

accept them this week. Even then, the world will have to keep up the pressure on the Serbs until the awkward details have been dealt with.



By PANCRO in Le Monde (Paris). GAW Studios.

Behind the Tougher French Stance

By Dominique Moisi

PARIS — France's attitude toward the war in former Yugoslavia is evolving — albeit reluctantly and somewhat ambiguously. French leaders had long clung to the wishful illusion that the unity of Tito's Yugoslavia could be preserved: theirs was a benign interpretation of Slobodan Milosevic's Serbia.

They tired of doing so, so we should not interfere. But now his analogies are historical. There is talk of not repeating the errors of Munich, of not giving in any longer to the cynically expansionist Mr. Milosevic.

Not Too Bad a Run for Republicans

By David S. Broder

WASHINGTON — When George Bush takes his last ceremonial ride up Pennsylvania Avenue on Wednesday, it will mark the end of the Republican rule in 60 years, the 12 years that history books doubtless will merge into the Reagan-Bush era.

States effectively supported the people whose values and aspirations came closest to America's — and helped them prevail. And, under Mr. Reagan and Mr. Bush, the Cold War came to a successful conclusion.

Do We Bow To a Bomb In India?

By Stephen S. Rosenfeld

WASHINGTON — Bill Clinton, pledging to tackle nuclear proliferation, is going to discover how ornery the cuss is. Nonproliferation sounds simple — no bombs, no missiles. But a paradox is at its heart.

The trouble arises from the fact that India has already prepared a usable nuclear force. It has made the force the center of its defense doctrine and its claim for regional supremacy and global standing, and knit it into the fabric of its internal politics.

Now comes the Carnegie gang, packed with former ambassadors and other India hands, to say: As a democracy, and the biggest one, India was always important. With the passage of the Cold War, India is worth even more respect and courtship, and is better positioned politically for partnership with the United States.

Carnegie says Washington ought to abandon the counterproductive strategy of rollback and try to weave a web of cooperation and restraint. Restraint means freezing both the stockpiling of fissile material for weapons purposes and the further development of militarily related nuclear capabilities.

It is further argued that a bow to a nuclear India is not so much so-called realistic, as realistic. The world has changed, and the United States, to gain the cooperation of mature partners, must yield its special Cold War prerogatives. It must, for instance, stop intervening on Pakistan's side to alter the natural balance of power in the Asian subcontinent, and stop stiff-arming a comprehensive test ban.

But the United States is not just another democracy; it is the single one with global responsibilities. It is not arrogance to claim this distinction but a fact of international life. No doubt we can live with an Indian bomb, but not cheerfully.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: A Feverish Bourse

BERLIN — There was a slight panic on the Bourse to-day (Jan. 17) owing to the report that eighteen cases of cholera had broken out in Halle, which is only two hours by rail from here.

1918: Dug-Outs in Venice

ITALIAN ARMY HEADQUARTERS — The enemy has received another bloody repulse near Venice, where his attack was thrown back after four hours' heavy and desperate fighting.

1943: Berlin Is Blasted

LONDON — [From our New York edition:] Hundreds of British heavy bombers rocked Berlin Saturday night (Jan. 16) with four-ton "blockbuster" bombs and set great fires, and German planes struck back at London in a feeble but spectacular retaliation.

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# BUSINESS

International Herald Tribune, Monday, January 18, 1993

## CAPITAL MARKETS

### Rush Is on to Bet Money On Lower Rates in Europe

By Carl Gewirtz  
International Herald Tribune

PARIS — International investors are piling into European bonds. Imminent cuts in German interest rates are expected to trigger bigger gains in other European markets, where both interest rates and risk premiums for devaluation should be falling sharply.

One of the best performing markets last week was the French government bond market, where yields on 10-year bonds fell 18 basis points. With the currency now perceived to be out of danger, the spread between French and German bonds narrowed sharply and bankers in Paris began talking about a collapse in the amount of protection against a devaluation of the franc that investors were demanding.

The difference between yields on French and German government debt ended the week at 79 basis points, its lowest level since last November and well below the nearly 100 basis points, or one percentage point, seen at the start of this year as speculation about a devaluation revived.

When confidence was high early last year that Europe would move to a common currency before the end of the decade, the differential fell to a historic low of about 40 basis points.

The possible contraction of the interest-rate spread back to that low level means that the price of French bonds could rise faster than German bonds given the same amount of reduction in official interest rates.

Peugeot last week tapped into this expectation. Its seven-year issue of 2 billion francs was the largest ever Eurofranc bond from a private French borrower. Carrying a coupon of 8 1/2 percent and offered at a slight discount of 99.85, the paper was priced to yield 70 basis points more than comparably dated government bonds. That was slightly less than what Peugeot would have had to pay to issue in the domestic market, bankers said. But as the bulk of the issue was reportedly placed with nonresident investors, such comparisons were not very relevant.

**A big rally in French bonds spurred massive borrowings.**

The market at present is restricted to borrowers who want to hold francs; current rates do not permit swapping out of the currency.

The Deutsche mark sector also was active, with Italy placing its jumbo 5 billion DM of five-year notes without difficulty. It was Italy's first public offering since fighting a losing battle last fall with banks on resolving the default of EFIM, one of the country's big public-sector borrowers. Notably absent among the 45 banks un-

**LATE IN THE WEEK,** Aerospaciale issued 1 billion francs of 10-year bonds carrying a coupon of 8 1/2 percent and priced to yield 58 basis points over government paper. The European Investment Bank's 3 billion francs of eight-year bonds carried a coupon of 8 percent and was priced to yield a scant 24 basis points over benchmark levels — a bit skimpy bankers complained, but it sold well given the high level of foreign demand.

The market at present is restricted to borrowers who want to hold francs; current rates do not permit swapping out of the currency.

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See BONDS, Page 9

### EC Is Seen Approving \$10 Billion Italy Loan

BRUSSELS — Italy should get the green light Monday for the \$10 billion loan it asked for last October to prop up its flagging economy. EC sources said over the weekend.

The sources said European Community finance ministers, who are to meet for the first time Monday under the EC's new Danish presidency, were expected to give final clearance for the loan, which was approved by the EC's monetary committee on Thursday.

Italy will draw down the loan in four equal parts between 1993 and 1995.

Italy has tacitly linked the loan to its plan to put the lira back in the Community's exchange-rate mechanism. The lira was forced out in September, along with the British pound, after a massive speculative attack on the currencies.

Rome, unlike London, has said it wants to rejoin the system, which binds currencies in narrow trading limits, as soon as possible.

The finance ministers also are to open discussions on an outline plan agreed at December's Edinburgh summit to boost economic growth in the 12-nation bloc.

Discussions on the so-called growth initiative will be split into two parts: action at national level and at Community level.

However, the EC sources said they did not expect the ministers to take any decisions on national plans Monday. That would wait until their next meeting on Feb. 15.

The ministers also are to discuss the EC Commission's plan to launch a European Investment Fund to guarantee loans for growth-promoting infrastructure projects and for small- and medium-sized companies.

The fund would have a pledged capital of 2 billion Ecu and would be able to guarantee loans of up to 10 billion Ecu.

However, skeptics have viewed the fund and the growth package in general as too little, too late. The fund is not expected to be in operation until the latter part of this year.

### Power Struggle Looms at Westpac

Agence France-Press

SYDNEY — Shareholders appear set to battle for power at Westpac Banking Corp.'s annual general meeting on Tuesday in the wake of Kerry Packer's resignation from the board, analysts said.

Mr. Packer is the richest Australian, and he reportedly is unsatisfied with the pace of Westpac's plans to restructure itself in a bid to become profitable. His Consolidated Press Holdings Ltd. owns about 10 percent of Westpac, but he quit the bank's board Thursday after having been on it for only a week, without giving a reason.

Westpac shares dropped on the news amid speculation that Mr. Packer had left the board because of disagreements over the changes.

Westpac's largest shareholder is Australian Mutual Provident Society, a pension fund. Also leaving the board Thursday for unexplained reasons was Al Dunlap, managing director of Consolidated Press Holdings.

The Sunday Age newspaper reported that the two had quit over a disagreement with Chairman John Uhrig on the choice of a new managing director and the timetable for staff cuts and asset sales.

Frank Conroy, who opposed Mr. Packer's

plans, was forced to resign as managing director last month.

Reports said that despite an extensive international search and the canvassing of several senior U.S. bankers, Mr. Packer had apparently been unable to find a suitable replacement for Mr. Conroy.

The Australian tycoon also was displeased

Instead, they said, Mr. Packer could choose to sell his stake in the bank, possibly to Hongkong & Shanghai Bank.

But a spokesman for Hongkong & Shanghai Bank's Australian unit said, "We have no knowledge of this at all."

The board's troubles have grown as shareholder pressure mounts.

The bank's shares fell sharply last year as Westpac posted a loss of 1.56 billion dollars (\$1 billion) for the year ended Sept. 30, 1992. A 1.2 billion dollar sale of shares that month to repair its finances was a flop.

With its share price at 2.70 dollars, Mr. Packer was tempted to buy and accumulate about 10 percent of the bank's stock. This helped the Westpac share price recover and boosted investors' confidence.

But Mr. Packer's sudden resignation a week after his appointment to the board stunned financial markets and sent Westpac's share price tumbling.

After opening Thursday at 3.02 dollars, it rose to 3.08 ahead of the announcement and then dropped to 2.96 on the news and kept falling. The stock closed at 2.90, down 14 cents on the day.

It finished the week at 2.92 amid heavy trading.

**Attention turned to the annual meeting Tuesday, at which Kerry Packer is expected to play a prominent role.**

because the Westpac board had opted for Mr. Conroy's cautious restructuring plan and had rejected Mr. Dunlap as an interim managing director, reports said.

Attention turned Sunday to the annual meeting Tuesday, at which Mr. Packer is expected to play a prominent role.

Some sources said, however, that he would not use the meeting to force a showdown with the board.

### Citibank On Ropes In India

#### Executives Resign After Fed Looks Into Stock Scam

BOMBAY — Four Citibank executives in Bombay were forced to resign just days after a visit by a Federal Reserve Board team that investigated alleged involvement of U.S. banks in the recent Indian financial scandal, banking sources said Sunday.

They said four executives from the Citicorp unit's treasury department in Bombay had been asked to step down following the visit of the Fed team to the bank Wednesday.

A Citibank spokesman said four people had left the bank, but refused to say who. He said the four were from the treasury department, which has been accused by the Reserve Bank of India of irregularities linked to a \$2 billion securities scandal exposed in April. The scandal allegedly involved improper diversions of funds to the stock market.

Citibank, the largest overseas bank operating in India, has rejected allegations of wrongdoing.

It transferred the head of its investment-banking division, A. S. Thyagarajan, who was responsible for securities operations, out of the country late last year.

An Indian parliamentary committee investigating the scandal has said it would check whether the Finance Ministry had requested Mr. Thyagarajan's removal.

Bankers said the departure of the four employees would prompt "renewed digging" by the Reserve Bank of India and the parliamentary committee.

Standard Chartered Bank has initiated a lawsuit in New York against Citibank to recover 1.15 billion rupees (\$40 million) it claims it is owed by the U.S. bank in the securities scandal.

Citibank is contesting the claim, saying it has no liabilities in the fraud, in which prosecutors allege that some Indian brokers and banks siphoned money from the interbank securities market to pump up equity prices on the then-booming Bombay stock exchange.

### Lamont Sees Devaluation Lift for Britain

Compiled by Our Staff From Dispatches

LONDON — Chancellor of the Exchequer Norman Lamont said Sunday there were "many encouraging signs" that Britain was pulling out of its long recession and predicted the economy would grow at least 1 percent this year.

His optimism was countered, however, by a survey report that British consumer confidence fell to its lowest level in two years in the final quarter of 1992.

"Although consumer confidence has stabilized in the last six months, the survey suggests that recovery may be stillborn unless confidence improves soon," said Bridget Rosewell of Business Strategies Ltd., a conductor of the survey.

Mr. Lamont, who has claimed earlier in the more than two-year recession that recovery was at hand, was guarded in his comments.

"One has to be cautious before ringing the bell and saying the recession is over," he said in an interview on television. "But there are encouraging signs, that's certainly true."

He cited "good trends" in retail

### Merger Rebound Is Forecast

Bloomberg Business News

LONDON — Chances are ripe that Britain will see a "mini-boom" in mergers and acquisitions in 1993, according to the Ernst & Young accounting firm.

The number of deals will grow as companies bought in leveraged buyouts in the 1980s come up for sale, while other targets will come from heavily indebted companies that survived the recession, it said.

Predators will emerge from the pool of medium and large British companies with big cash balances, plus overseas investors attracted by the weak pound. The pound's devaluation last fall "means that British companies may now provide good value for money to foreign buyers," said Richard Mead, a director at Ernst & Young.

The only ingredient missing in the takeover market is business confidence, which continues to be plagued by doubts about government economic policy. Takeover business also will stay a "buyer's market," and prices for companies will not rise much, the review said.

er economy, Mr. Lamont said.

Although 1 percent growth is sluggish for the start of a recovery, Mr. Lamont said Britain would grow faster than some European economies including Germany. He also said growth would pick up in the second half of this year.

The consumer confidence survey attributed the drop in confidence in the fourth quarter to "worsening expectations of inflation and rising fears of unemployment."

"In nearly all parts of the country, consumers are markedly more pessimistic than they were even at the beginning of 1991 during the Gulf War," the report said.

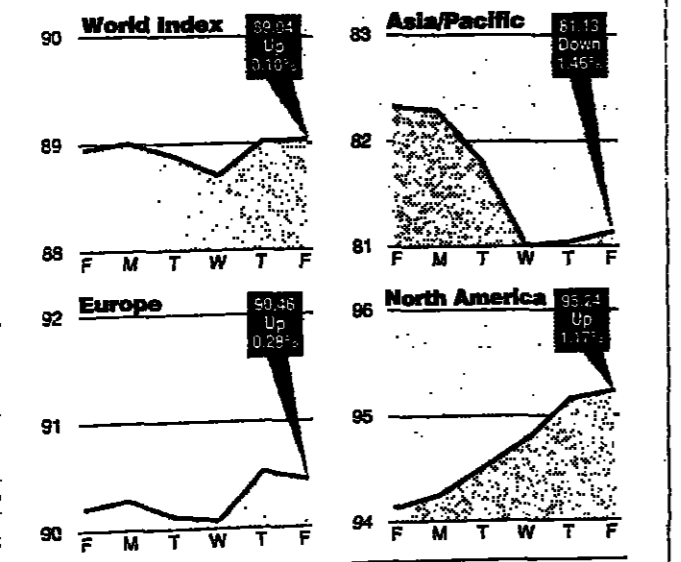
Nevertheless, the survey found that although consumers continued to become pessimistic in October and November, there was some recovery in December.

That would be consistent with sales reported by retail chains last week. Dixons Group said sales surged 17 percent in the eight weeks ended Jan. 9 from year-earlier levels, while the John Lewis department store chain said sales in the week ended Jan. 9 climbed 16 percent.

(AP, Reuters, Bloomberg, AFP)

### THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Week ending January 15, daily closings, Jan. 1992 = 100.



Industrial Sectors/Weekend close

	1/15/93	1/15/93	1/15/93	1/15/93	% change
	close	close	close	close	
Energy	89.70	91.13	-1.57		
Utilities	85.05	85.91	-1.00		
Finance	80.87	81.17	-0.37		
Services	101.71	100.04	+1.67		
Capital Goods	88.00	88.87	+0.15		
Raw Materials	91.24	91.24	Unch.		
Consumer Goods	88.40	88.22	+0.20		
Miscellaneous	95.76	93.97	+1.90		

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the 20 top issues in terms of market capitalization, in the remaining 17 countries, the ten top stocks are tracked.

### CURRENCY RATES

Jan. 15

Cross Rates	1/15/93	1/15/93	1/15/93	1/15/93	1/15/93	1/15/93	1/15/93	1/15/93	1/15/93
	close	close	close	close	close	close	close	close	close
Australian	1.83	1.84	-0.01						
British	1.62	1.63	-0.01						
Canadian	0.71	0.71	0.00						
Deutsche	1.36	1.36	0.00						
French	6.54	6.54	0.00						
Japanese	163.00	163.00	0.00						
Swiss	1.48	1.48	0.00						
Other Dollar Values									
Swiss	0.71	0.71	0.00						
Japanese	163.00	163.00	0.00						
Deutsche	1.36	1.36	0.00						
French	6.54	6.54	0.00						
British	1.62	1.62	0.00						
Australian	1.83	1.83	0.00						
Canadian	0.71	0.71	0.00						

### Singapore Notebook

### Asia Answers Frequent-Flyer Challenge

Faced with growing competition from Western airlines, a recently formed consortium of three Asian carriers expects to enlarge its planned frequent-flyer program by including other regional operators.

Singapore Airlines, Cathay Pacific Airways of Hong Kong and Malaysia Airlines signed a memorandum of understanding late last month to form an independent, joint-venture company in Singapore to develop and run the program.

Other regional carriers expected to sign up include Thai Airways, All Nippon Airways of Japan, China Airlines of Taiwan and Asiana Airlines of South Korea, Asian airline executives said.

All are facing a growing challenge from major U.S. and European carriers pushing aggressively into the high-growth Asia-Pacific aviation market.

Details of the Asian consortium's frequent-flyer plan are to be announced in March.

Until now, regional airlines have been able to attract customers, including business travelers, with offers of superior service. The move to form the consortium is an acknowledgment that Asian carriers will have to match Western operators with offers of free tickets for frequent flyers, based on mileage and class traveled.

Only a few of the Asian carriers have large enough networks for frequent-flyer programs that could compete with the global coverage offered by U.S. and European carriers.

But Asian airline executives said that by joining together in a regional program, the group could offer an enlarged travel network, mainly in Asia, since eligible travelers will be entitled to free travel on all carriers in the group.

give a significant boost to the stock market.

The first concrete move in the government's program to ensure that Singapore remains internationally competitive may come in the 1993 budget, due to be presented in parliament in February.

Prime Minister Goh Chok Tong confirmed early this month that direct taxes would be reduced over the next few years. The shortfall will be made up by introducing a tax on goods and services, but only after public discussion of the measure.

In a study of the implications for the stock market, Peregrine Securities Singapore Pte. said that the possibility of a cut in the effective corporate tax rate over the next three years to 25 percent from the current 30 percent would be seen by investors as a "recuring source of growth" for the market.

Excluding Singapore Airlines, which has a local tax rate of about 16 percent mainly because it derives a significant proportion of its income from overseas, the 20 major listed companies surrender on average just under 30 percent of their income in tax.

The Peregrine study concluded that a 2 percent reduction in the current-year tax charge would result in a 3 percent increase in net profit on Singapore-sourced earnings.

**The Invest-Abroad Drive**

Worried that stay-at-home Singapore business executives will lose out to entrepreneurs from Hong Kong, Taiwan and South Korea investing heavily in China, Vietnam, Indonesia and other emerging Asian markets, the Singapore government is considering a wide range of measures to encourage regional investment.

They include tax incentives; mobilizing support from Singapore banks, the government and companies in which the state has substantial equity; and reduction in regulations that deter entrepreneurial activity, and edu-

ation assistance for the children of Singapore businessmen working abroad.

A committee, headed by Teo Chee Hean, minister of state for finance, has been formed to canvass proposals and recommend action to assist Singapore companies to invest abroad. The Trade Development Board, a government agency, has said it would broaden its operations to service Singapore investors to as well as exporters.

Lee Kuan Yew, the senior minister, said that entrepreneurs from other newly industrialized countries in East Asia had poured money into China, Thailand, Malaysia, Indonesia and Vietnam. He said that in 10 to 20 years, these investments would greatly enlarge their economies.

"Unless we do the same, Singapore will not have this external boost," he added.

**Keppel's Smooth Sailing**

One Singapore conglomerate that needs no inducement to move offshore is Keppel Corp., one of the largest companies listed on the local stock exchange. Its main shareholder is the government's Temasek Holdings, which owns just over 37 percent of its stock.

Keppel's interests span repair and building of ships, oil rig construction, engineering, property, banking and financial services, shipping and telecommunications.

About 45 percent of Keppel's pretax profit is derived from ship repair and construction. In recent years, it has moved aggressively to develop new markets in countries with much lower labor and land costs than Singapore.

Keppel manages and partly owns shipyards in Madras, India, and in the United Arab Emirates. It recently bought its third shipyard, in the Philippines, and it is bidding to take over the ship-repair facility at the former U.S. naval base at Subic Bay, which American forces vacated late last year.

Michael Richardson

### Tax Fillip for the Market?

As Singapore prepares for a gradual lowering of corporate and personal taxes over the next few years, analysts say the cuts will likely

### Peugeot Sales in Europe Fell 2 Percent Last Year

Compiled by Our Staff From Dispatches

PARIS — Automobiles Peugeot said on Sunday it sold 2.4 percent fewer new cars in Europe in 1992 as a "disappointing" showing in its domestic market overshadowed a slight rise in sales outside France.

The company, the largest of the two vehicle-making units within PSA Peugeot-Citroen SA, said it sold 994,800 cars in 17 European countries last year, down from 1,018,800 in 1991.

Sales in France fell 6.0 percent, to 406,800 from 432,800, cutting Peugeot's market share to 19.3 percent from 21.3 percent in 1991.

Registrations of Peugeots outside France gained 0.3 percent in 1992, to 588,000 from 586,000. That boosted its share of the European market, excluding France, to 5.2 percent from 5.1 percent.

In 17 European countries including France, Automobiles Peugeot's share fell to 7.4 percent from 7.6 percent.

Automobiles Peugeot said sales outside Europe rose 5.5 percent in 1992, to 143,400 vehicles. Sales in China rose 27.5 percent.

Separately, Trade Minister Claudio Vialone of Italy said Sunday that imports of Japanese automobiles this year would be restricted to 92,000 units, the same as last year.

The *Il Sole/24 Ore* newspaper also quoted Mr. Vialone as saying that the restriction covered cars made in Japan as well as those shipped from the European factories of Japanese carmakers.

(Reuters, Bloomberg)

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Great Britain	£ 65.000	34.000
Ireland	S.H. 290	150
Italy	Lira 450,000	250,000
Luxembourg	L.F. 13,000	7,000
Netherlands	FL 710	390
Norway	N.Kr. 3,500	1,800
Portugal	Esc. 45,000	25,000
Spain	Ptas. 45,000	25,000
— hand deliv. Madrid	Ptas. 55,000	27,500
Sweden (airmail)	S.Kr. 2,800	1,500
— hand delivery	S.Kr. 3,200	1,800
Switzerland	S.F. 690	330
Rest of Europe, N. Africa, former French Africa, Middle East	\$ 630	345
Gulf States, Asia Central/Latin America	\$ 780	430
Rest of Africa	\$ 900	465

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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. Jan. 15

Dollar Straights

Issuer Con Mat Price Yld Bid Ask

Governments/Supranationals

Table listing bond prices for governments and supranationals, including issuers like African Dev Bank, Albania, and various international organizations.

Banks & Finance

Table listing bond prices for banks and financial institutions, including issuers like Citicorp, Citicredit, and various international banks.

Global Corporates

Table listing bond prices for global corporations, including issuers like Alcoa, Amstar, and various multinational companies.

High-Yielding Debt

Table listing bond prices for high-yielding debt, including issuers like Aeroflot, Alrosa, and various emerging market entities.

Dollar Zeros

Table listing bond prices for dollar zero coupon bonds, including issuers like American Hospital, American Intl Corp, and various US-based entities.

Deutsche Marks

Table listing bond prices for Deutsche Mark denominated bonds, including issuers like AdO, AdO 2, and various German entities.

Floating Rate Notes

Table listing bond prices for floating rate notes, including issuers like ABB, ABB 2, and various international companies.

Pounds

Table listing bond prices for pound denominated bonds, including issuers like ABB, ABB 2, and various UK-based entities.

Dollars

Table listing bond prices for dollar denominated bonds, including issuers like ABB, ABB 2, and various international companies.

NEW YORK (AP)—The following securities are listed in the International Section of the New York Stock Exchange, which tracks securities issued by foreign companies.

Table listing securities listed in the New York Stock Exchange, including various international stocks and bonds.

MUTUAL FUNDS

Figures as of close of trading Friday, Jan. 15.

Table listing mutual fund performance and prices, including various domestic and international funds.

ECUS

Table listing bond prices for Euro currency units (ECUs), including issuers like ABB, ABB 2, and various European entities.

(Continued on next page)



New International Bond Issues

Compiled by Laurence Desvillettes

Table of bond issues with columns for Issuer, Amount (millions), Mat., Coup. %, Price, Price end week, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupons, and Equity-Linked.

Low Inflation, Comfort With Clinton Prime Bonds for Gains

Michael Spencer, portfolio manager at One Federal Asset Management... "To me, it looks like rates should go lower," Mr. Spencer said...

Michael McGlone, manager of bond options trading at Aubrey G. Lanston & Co. also predicted a further rally this week. "There's no inflation and economic growth is slow," he said.

"A mild positive for the market was that Clinton is talking about doing away with a middle-income tax cut, which does not take away revenue from the government," said Peter McTeague, market strategist for Technical Data.

If people are assured that Mr. Clinton will not widen the record \$290 billion deficit by much, "then bonds will surge," he said.

Mr. McTeague also said corporate debt supply to the tune of more than \$10 billion continued to contribute to supply concerns.

Some analysts said they expected the binge by borrowers to lock in low rates would continue and predicted corporate America could unload as much as \$30 billion by the end of February. (UPI, Bloomberg, Reuters)

U.S. CREDIT MARKET

seek a more modest economic stimulus package and signs that inflation remains very subdued. The market's bellwether security, the 30-year Treasury, surged 1/32 during the week, to close at 103 1/32 on Friday.

The 30-year bond gained more than half a point on Friday after the Labor Department reported that consumer prices rose just 0.1 percent in December, and a six-year low of 2.9 percent for all of 1992.

The report reinforced the notion that inflation is under control, said

BONDS: Focus on Europe

deriving the issue was Goldman, Sachs & Co., presumably a reprimand for having accurately forecast a devaluation of the lira months before it occurred.

With issues of 1.5 billion DM for Credit Foncier and 1 billion DM for LKB Finance and smaller issues for the Nordic Investment Bank and Rabobank, new-issue activity in marks and French francs easily surpassed the volume of new paper in U.S. dollars.

The Province of Ontario floated \$3 billion of 10-year bonds, but this global offering was sold largely to investors in the United States, where demand for long-term paper remains high.

In the international market, bankers report investors prefer not to go beyond commitments of five years out from that as the American recovery takes hold, U.S. interest rates will have to move up.

Seoul Takes Aim At Weak Growth

SEUL — The government is planning a package of emergency measures to boost the sagging economy that will be implemented when President-elect Kim Young Sam is sworn in Feb. 25, published reports here Sunday said.

Quoting a top executive at the Bank of Korea, Seoul newspapers reported that the central bank had agreed to lower a key lending rate 1 or 2 percentage points next month.

Also to be included in the package are special low-interest loans for small companies, tax incentives for investment and a relaxation of credit controls on business. Poor sales and weak investment pushed economic growth in the third quarter down to an annual rate of 3.1 percent, compared with 8.4 percent for all of 1991. (AP, AFP)

New Zealand Eases Credit

WELLINGTON — The Reserve Bank of New Zealand said Monday it was easing credit because of its currency's strength by doubling its target for banking system cash to 10 million dollars (\$5.1 million).

Euromarts At a Glance

Table showing Euromart yields for various currencies and maturities.

Weekly Sales

Table showing weekly sales data for various markets.

Libor Rates

Table showing Libor rates for different currencies and maturities.

RATE: Hopes of German Cut Relieve Currency Strains

Jan. 7, when it cut the repurchase rate by 0.75 percent. Mr. Persaud said a cut in the Lombard rate to 9 percent would be nothing more than a symbolic reduction, but he insisted that such a move could serve "as a very important signal" to markets that official policy is going into reverse.

The Bundesbank's recent easing in the repurchase rate was aimed at calming an attack against the French franc. That move, coupled with the latest hopes of more substantial cuts, enabled the franc to rise to 3.3770 to the mark at the end of last week. It was at its best level since late November.

Issing Warns on Rate Hopes

FRANKFURT — The Bundesbank's chief economist warned over the weekend against hoping for an imminent or sharp cut in German interest rates when the central bank's board meets Thursday, saying it would not capitulate in its battle against inflation.

Last Week's Markets

Table showing market performance for various indices and currencies.

MUTUAL FUNDS

(Continued from Page 8)

Table of mutual fund performance with columns for Fund Name, Assets, and other metrics.

INTERNATIONAL CLASSIFIED

Large classified advertisement section containing various services like real estate, moving, and business opportunities.

Page 13 FOR MORE CLASSIFIEDS

Rescue Deal For N.Y. Post Falls Apart

NEW YORK Times Service NEW YORK — Peter S. Kalikow, the publisher of The New York Post, has announced that a deal with an investor that could have stabilized the newspaper financially appeared virtually dead.

As a result, he said, almost any move was possible, including a sale of a controlling interest in the newspaper.

"I'll do anything to save the paper," he said, "even if it means stepping down or giving up control. If that's what it takes, that's what I'll do."

Still, Mr. Kalikow declined to say outright that The Post was for sale.

The apparent collapse of the deal with the potential investor, Leon Black, a former investment banker, combined with Mortimer B. Zuckerman's purchase of The Daily News last week, could accelerate pressure on The Post.

Bilzerian Gets To Finish Term Back at Home

The Associated Press

TAMPA, Florida — The corporate raider Paul Bilzerian has been released after a year in federal prison to serve the rest of his sentence under a home-detention program.

Mr. Bilzerian, 43, who was convicted of securities fraud and tax violations, will not be restricted to an ordinary house. He will be staying at the 11-bedroom, 21-bath mansion he built north of Tampa.

Whenever he wants to leave the house, Mr. Bilzerian must call a community control officer for permission. That supervision will end on Feb. 12.

The former chairman of Singer Co. was released Dec. 23. A judge reduced his sentence to 20 months from 48 months. He got more time off for good behavior, cutting the term to 14 months.

BUSINESS BRIEFS

CITIC Sets Sights on Hongkong Land

HONG KONG (Bloomberg) — The managing director of China International Trust & Investment Corp. Hong Kong (Holdings) said the Beijing-controlled company would be interested in buying Hongkong Land Holdings from Jardine Matheson Holdings, the South China Sunday Morning Post reported.

"If Jardines wants to sell, then O.K., we'll negotiate the price," the newspaper quoted the director, Larry Yung, as saying. He stressed, however, that there had not been any negotiations with Jardine.

Row With Virgin Seen Dogging BA

LONDON (Reuters) — British Airways PLC appears set for turbulent times that might see a top management shake-up following its humbling apology last week to Virgin Atlantic Airways.

Virgin claimed BA employees spread false rumors about its financial health, illegally accessed computer records and tried to poach trans-Atlantic passengers by selling seats on Concorde flights at below cost.

The Independent on Sunday alleged that BA's chief executive, Sir Colin Marshall, knew about the campaign all along. It and the Sunday Times and the Observer suggested that Sir Colin could expect objections to his planned accession to the chairmanship later this year.

Also weighing on BA's immediate future is the possibility that Richard Branson, the head of Virgin, could file a lawsuit in the United States over the alleged dirty tricks campaign unless BA became more accommodating toward his request for more landing and takeoff slots at Heathrow.

For the Record

Japan's production of industrial robots last year fell an estimated 20 percent, the Japan Industrial Robot Association said. (Bloomberg)

The Week Ahead: World Economic Calendar, Jan. 18 - 22

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

Asia-Pacific

Jan. 18 Tokyo Crude steel production for December. Forecast: Possible year-on-year growth for first time in more than 20 months.

Hong Kong Leading Spirit (Holdings), electrical components trader, delays on Hong Kong Stock Exchange. Initial public offering was 354 times oversubscribed. Outlook: Share price likely to climb from 1 dollar a share issue price.

Tokyo Merchandise trade balance for December expected this week. Outlook: Surplus likely to rise.

Jan. 19 Bangkok Cabinet meeting set to create board to monitor state-owned companies, including several slated for privatization.

Sydney Message Stock annual general meeting. Outlook: Lively meeting with contested board election, dispute over bank restructuring and loss for the year of 1.56 billion dollars.

Taipei Last day of trading on the Taiwan Stock Exchange before the Lunar New Year holiday. Trading resumes Jan. 27.

Jan. 20 Tokyo Machinery orders for November. Forecast: Down 30 percent year-on-year.

Europe

Jan. 18 Brussels European Community finance ministers meeting. Agenda: EU loan for Italy, new investment fund. Paris December industrial production. Forecast: Down 0.4 percent in month, after 0.8 percent drop in November.

Freiburg December wholesale price index. Forecast: Up 0.1 percent in month.

Jan. 19 Paris Banque Nationale de Paris conference. Agenda: Lively effect of Carion administration on world interest and exchange rates.

London December Confederation of British Industry trades survey. Outlook: Likely continuation of 16th in December and optimism for January.

Freiburg December producer price index expected this week. Forecast: Unchanged in month, up 0.6 percent in year.

Earnings expected: Thyssen Stahl. Jan. 20 London December retail sales. Forecast: Up 0.4 percent in month and up 2.0 percent in year.

Freiburg December M3 money supply growth. Forecast: 9 percent, down from 9.5 percent in November.

Jan. 21 London December unemployment. Forecast: Up 35,000, after rise of 41,000 in November.

Freiburg Bundesbank holds bimonthly council meeting. Forecast: December industrial production.

Americas

Jan. 18 Washington Martin Luther King Jr. Day. All government offices closed.

Earnings expected: FordMeyer, Hibernia Corp., National Bank, Novartis Corp., PaineWebber Group Inc., Primedia.

Jan. 19 Seattle Seattle Professional Engineering Employees Association scheduled to launch a one-day strike against Boeing Co.

Brazil House of Deputies tentatively scheduled to begin voting on its reform.

Outlook: Highly likely vote will be delayed.

Earnings expected: Chase Manhattan Corp., Chemical Bank Corp., Citicorp, International Business Machines Corp.

Jan. 20 Washington Inauguration Day. All government offices closed.

Jan. 21 Ottawa Consumer price index for December. Outlook: A 1.3 percent increase from a year earlier.

Earnings expected: Bell Atlantic Corp., Burlington Northern Inc., Continental Bank Corp., Martin Marietta, Monsanto Co.

Jan. 22 Washington Commerce Department reports December housing starts. Preliminary forecast: housing starts increase to 1,244 million starts.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, Jan. 15.

Table with columns for stock symbols, prices, and changes. Includes sub-sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with columns for stock symbols, prices, and changes. Includes sub-sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with columns for stock symbols, prices, and changes. Includes sub-sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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(Continued on next page)



MONDAY SPORTS TENNIS

Australian Open Begins With More Pretenders Than Kings Among Men

By Christopher Clarey

MELBOURNE — As the Australian Open opens here Monday, women's tennis is entering the third year of the Monica Seles era, which came fast on the heels of the Martina Navratilova era. The men's game is no longer so easy to define. While Jim Courier of the United States is both the defending champion in Melbourne and the world's top-ranked player, he is far from a safe bet to reassert his supremacy in 1993. On the eve of the new year's first and sultriest Grand Slam event, three other players look as legitimate candidates for the No. 1 spot: Boris Becker, Stefan Edberg and Pete Sampras. Two more young men, Goran Ivanisevic and Andre Agassi, possess the requisite talent but have had themselves put at an early disadvantage in the 11-month rankings marathon by withdrawing from this tournament because of health problems. Ivanisevic, the increasingly formidable Croat who served more than 1,000 aces last year, actually made it all the way to Australia before announcing his withdrawal on Sunday. The reason: a stress fracture in his foot that he said could cause him to miss up to seven weeks of competition. Ivanisevic, who was drawn to play Paul Haarhuis of the Netherlands in the first round, will be replaced by Thomas Muster of Austria, the highest-ranked unseeded player in the draw. "I think it definitely is more wide open this year than I can ever remember," said Australian Bob Brett, who coaches Ivanisevic and formerly coached Becker. "Before it was always one guy, like Ivan Lendl, at No. 1 and the rest of the field trying to catch him. But now, there are three guys who have been No. 1 in Jim, Stefan and Boris. Although Courier was dominant in the first half of last season and clung to the Association of Tennis Professionals' No. 1 ranking for most of the year, he did not win a tournament after the French Open in June. What bodes ill for him in 1993 is his losing record in confrontations against all of his primary challengers. Becker has proven particularly nettlesome, beating him six times in six matches, most recently in the final of the ATP Tour World Championship in November. In light of that victory, it is the fourth-seeded Becker, not the top-seeded Courier, who for many has become the player of reference here. Since recommitting himself to the sport and hiring Ginter Bresnik as his coach in September, the red-headed German has reasserted his serve and mobility, and has won the last three tournaments he has entered: the Paris Open, the ATP championship and last week's Qatar Open, where he beat Ivanisevic in three tight sets on the same medium-speed Rebound Ace surface used in Melbourne. To win his second Australian Open, Becker will have to negotiate his way through one of the strongest fields in the tournament's history. Seventeen of the top 20 men will play here, all except the fifth-seeded Ivanisevic, the ninth-ranked Agassi, who was scheduled to make his first appearance in this tournament before withdrawing because of bronchitis, and the 20th-ranked John McEnroe, who appears headed for retirement. Among those who will play is Lendl, the recently naturalized American and two-time Australian Open champion who struggled through most of 1992 with groin injuries but has declared himself "pain-free." This will be his first tournament in nearly two months, and he will have to play fine tennis just to survive the opening week, with rising Swedish star Henrik Holm and South African Wayne Ferreira in his eighth of the draw. Sampras, the third seed, could also be in for some early trouble. To reach the quarterfinals, he potentially might have to beat four members of the top 40: Carl Uwe Steeb of Germany, Magnus Larsson of Sweden, Muster and 14th-seeded countryman Maliva Washington. The good news for Sampras is that Ivanisevic is no longer in his quarter of the draw. As usual, the top-seeded women will not have to cope with similar depth. Only the fifth-ranked Navratilova and 11th-ranked Helena Skovova are missing from the top 30, but Seles, the two-time defending champion, still appears to have a smooth path to the semifinals as she begins her quest for the Grand Slam that narrowly eluded her in 1991 and 1992. Steffi Graf, the second seed who missed last year's Australian Open because of illness, should not meet much resistance until the quarterfinals, where she should face Jennifer Capriati, the resurgent American teenager who was the surprise winner of the New South Wales Open. What could prove difficult for both sexes at the National Tennis Center is the searing summer heat. Temperatures reached 104 degrees (40 degrees centigrade) in Melbourne on Thursday and (this is not a typo) 140 degrees (60 centigrade) during practice sessions on center court. A limewoman and three ballboys fainted during qualifying matches on the outside courts. Though cooler temperatures are forecast for Monday and Tuesday, the competitors harbor no illusions. "It's not only the air, it's the reflection that comes off the Rebound Ace," said Muster. "With the temperatures on it, your feet are burning and getting blistered."

Capriati, Sampras Win Sydney Titles

SYDNEY — Fourth-seeded Jennifer Capriati outplayed No. 5 Anke Huber, 6-1, 6-4, on Sunday to win the New South Open tennis tournament. It was the second American victory in two days at the time-up for the Australian Open, top-seeded Pete Sampras having beaten No. 7 Thomas Muster, 7-1 (7-9), 6-1, for the men's title Saturday. The women's final matched two teenagers who are among the hardest hitters on the tour, with Capriati the steadier of the two in the sweetening heat. "It was definitely very hot, but coming from Florida, I was used to it," she said. She had blitzed defending champion Gabriela Sabatini, 6-4, 6-2, in the semifinals.

SCOREBOARD

BASKETBALL

NBA Standings

Table with columns for Eastern Conference Atlantic Division, Central Division, and Western Conference Midwest Division. Rows list teams like New York, Boston, Orlando, Philadelphia, Washington, Miami, Chicago, Cleveland, Detroit, Indiana, Milwaukee, Phoenix, Houston, San Antonio, Dallas, Denver, Orlando, Boston, Phoenix, Portland, Sacramento, Dallas, Houston, San Antonio, Dallas, Denver.

Major College Scores

Table with columns for EAST and WEST. Rows list college teams and scores, such as Bucknell 87, Lafayette 74, Colgate 74, Cornell 64, Dartmouth 64, Harvard 64, etc.

World Cup Results

Table with columns for MEN and WOMEN. Rows list countries and scores, such as Austria 47-38-48, Austria 47-38-48, etc.

NHL Standings

Table with columns for W, L, T, P, GF, GA. Rows list NHL teams and their records, such as Pittsburgh 22, New York 21, etc.

Wales Conference

Table with columns for W, L, T, P, GF, GA. Rows list Wales conference teams and their records, such as Pittsburgh 22, New York 21, etc.

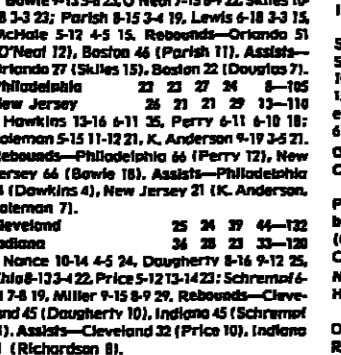
Wizards of ID

Table with columns for ARE THERE ANY QUESTIONS?, WHAT ARE YOU DOING TO GET THE NUMBERS OFF THE STREETS?, I'M BUILDING ANOTHER PARK.

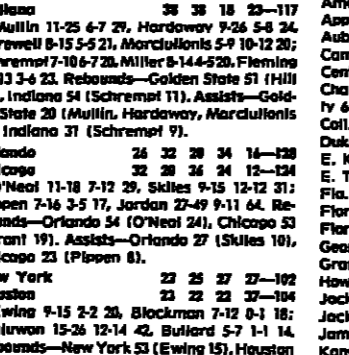
Garfield

Table with columns for MONDAY CHECK, SPLIT, HA!, FOOLED YOU!

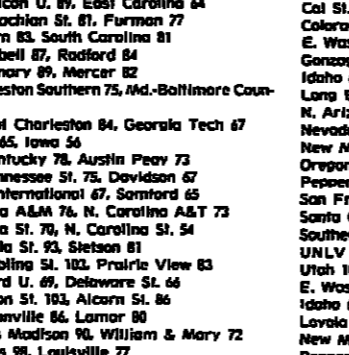
Dennis the Menace



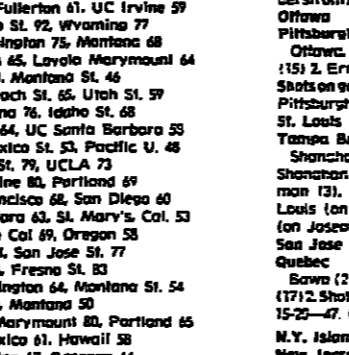
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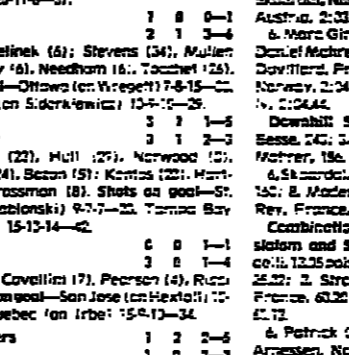
Beetle Bailey



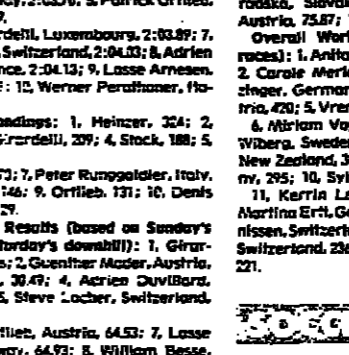
Doonesbury



Garfield



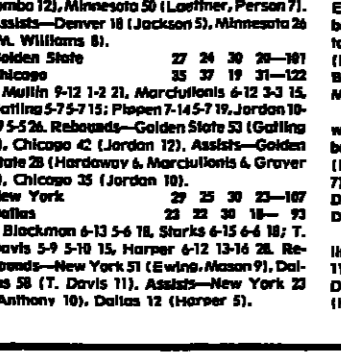
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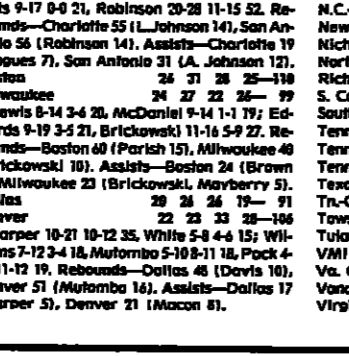
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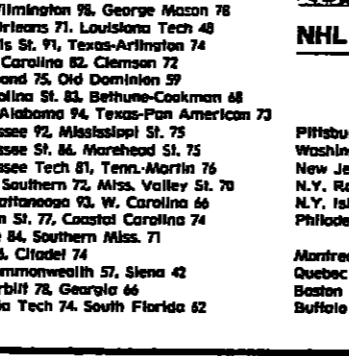
Jumble



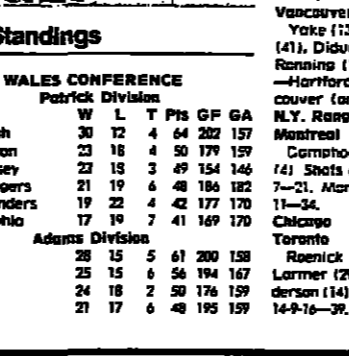
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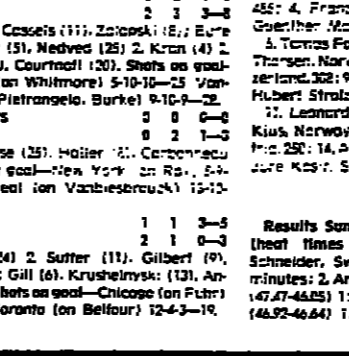
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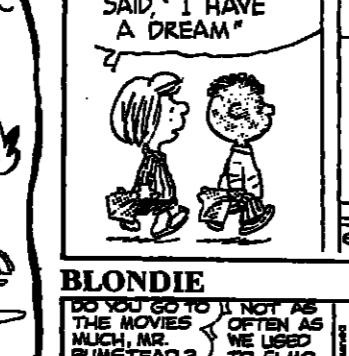
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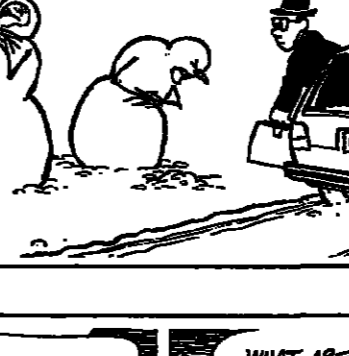
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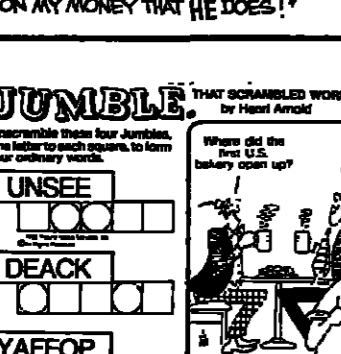
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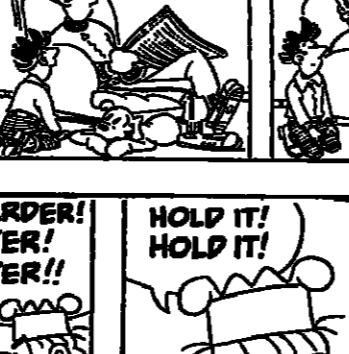
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Beetle Bailey



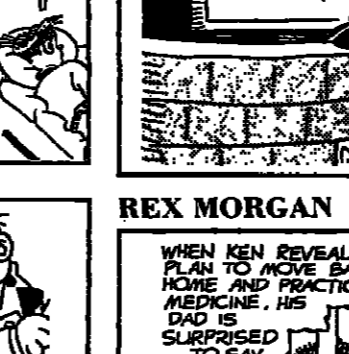
Doonesbury



Garfield



Wizard of ID



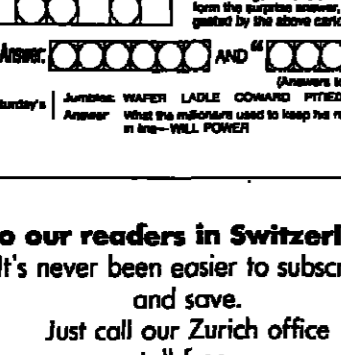
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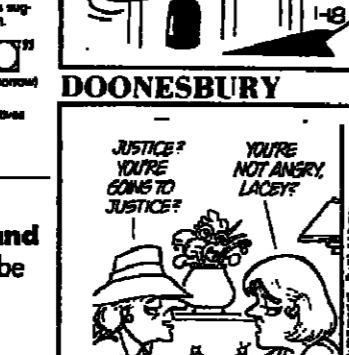
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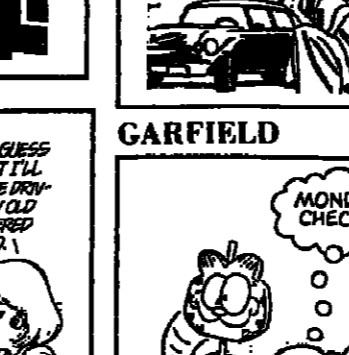
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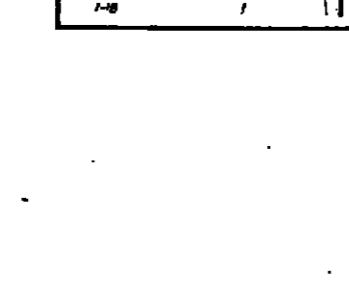
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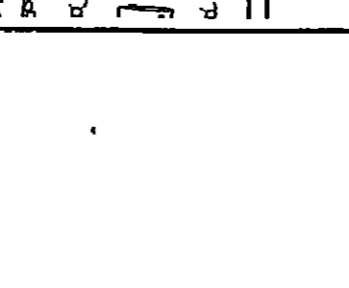
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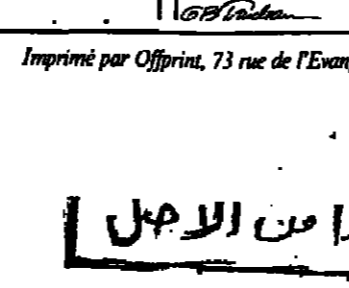
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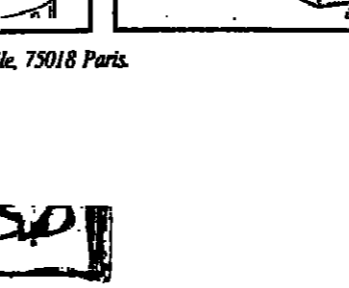
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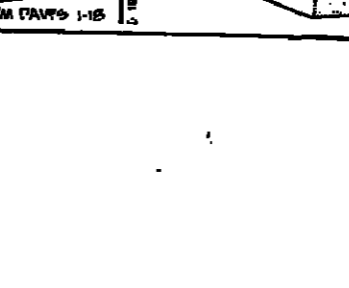
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Wizard of ID



Blondie



Beetle Bailey



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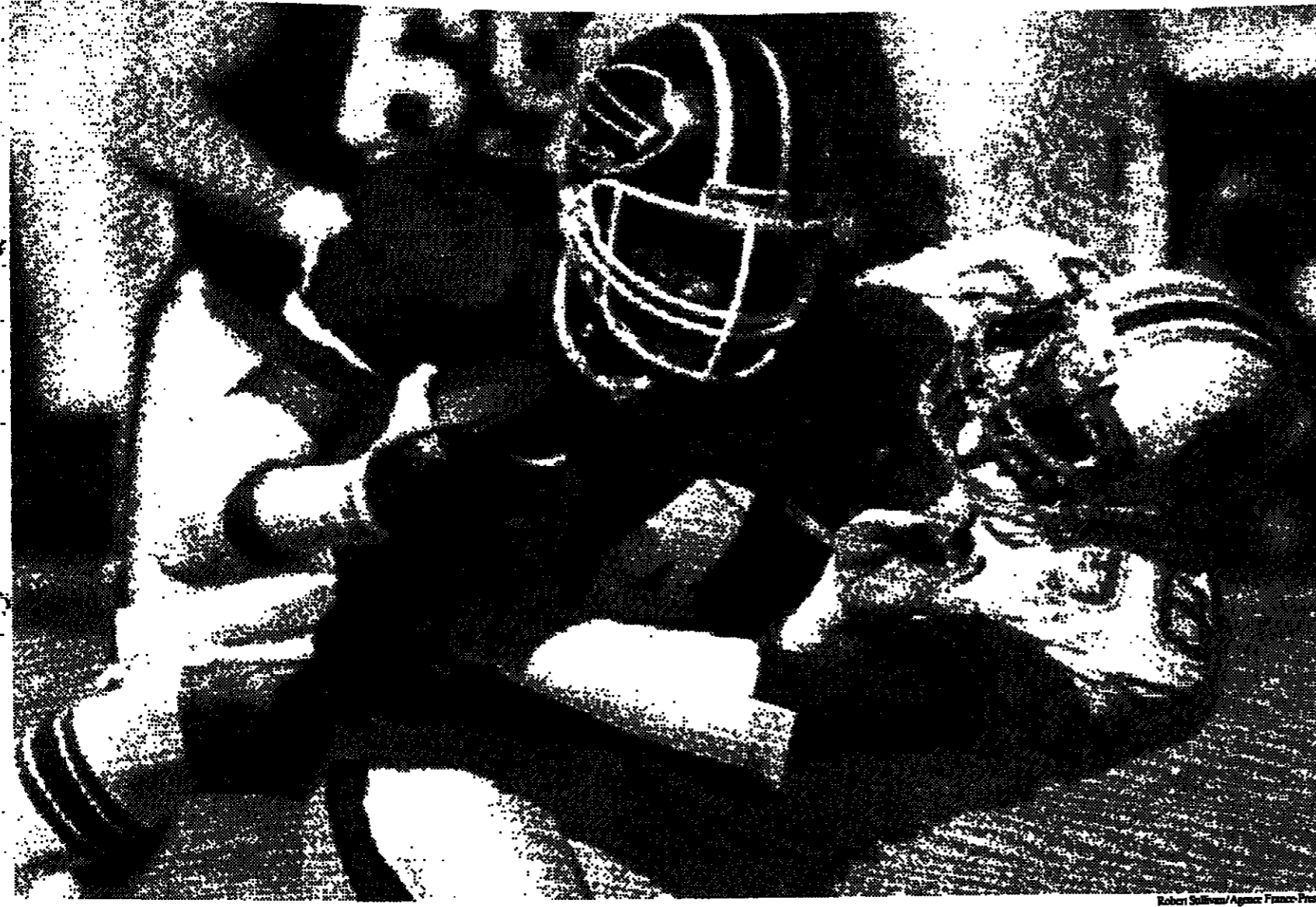
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MONDAY SPORTS FOOTBALL

Bills Blast Dolphins, 29-10, to Reach 3d Straight Super Bowl

Buffalo Cashes In on Miami Errors



Thurman Thomas, the Bills' running back, being tackled by safety Louis Oliver of the Dolphins, but Thomas gained 96 yards on 20 carries during Buffalo's victory.

MIAMI — The Buffalo Bills, welcoming the return of quarterback Jim Kelly and taking advantage of Miami's many mistakes, earned their third straight trip to the Super Bowl on Sunday with a 29-10 victory over the Dolphins. Kelly, returning to action in the American Football Conference championship game after missing Buffalo's first two post-season outings with a sprained knee, engineered an offense that was given one chance after another by the fumbling Dolphins. The Bills become the second team in National Football League history to make it to the Super Bowl three straight years. That rally was led by Reich, who then guided the Bills to a divisional round victory over Pittsburgh. The game was the third between the AFC East rivals this season and the third decided by turnovers. After they split their regular-season series and tied with 11-5 records, Miami won the division title on the third tiebreaker by virtue of a better conference record. So the Dolphins earned a bye before blowing out San Diego, 31-0, last week. The Dolphins end the season 12-5. The Dolphins escaped their disastrous first half trailing 13-3, despite two lost fumbles, one interception, three sacks, a key penalty, dropped passes, a muffed kickoff return and a partially blocked punt. The first quarter ended with a 3-3 tie in a matchup of two of the league's premier kickers. Christie gave the Bills the lead with a 21-yard kick and Pete Stoyanovich tied the score with a 51-yard field goal. Miami fumbles ended each of its first two series, the second of those leading to Buffalo's field goal at 9:17 of the first quarter. The Dolphins limited the damage by scoring on the next drive, but their bid for a touchdown was halted when Cornelius Bennett sacked Marino on third down. That brought on Stoyanovich, for a field goal with 1:57 to play in the opening period. Buffalo responded with the 17-yard touchdown catch by Thomas 40 seconds into the second quarter. Miami linebacker Bryan Cox was called for a borderline roughing-the-passer penalty on the drive. The Miami miscues continued when Aaron Craver muffed the ensuing kickoff return. Greg Barty recovered for the Dolphins and on the first play of the drive, Marino threw an interception to linebacker Phil Hansen to set up Christie's 33-yard field goal and the Bills' 13-3 lead. The Dolphins' downward spiral threatened to continue on the next drive when Reggie Roby's punt was partially blocked by Steve Tasker, but then it was Buffalo's turn to self-destruct. Kelly's apparent 15-yard touchdown pass to Andre Reed was called back when Will Wolford was penalized for holding Marco Coleman. On the next play Keith McKeller went offside, putting the ball at the 30, and one play later Christie missed a 38-yard attempt wide left. Talley and Smith derailed Miami's next drive with a 10-yard sack. The Dolphins started the second half the way they played the first, with a mistake. Mike Williams fumbled the second-half kickoff. Carwell Gardner recovered at Miami's 24 and Davis scored five plays later.

England Just Gets By France

Compiled by Our Staff From Dispatches LONDON — Fullback Jonathan Webb, recovering from a shaky start, kicked England to a thrilling 16-15 victory over France in the opening round of rugby union's Five Nations championship. The 29-year-old neurosurgeon contributed 11 points to England's total Saturday while increasing his international tally to 276. It was England's sixth successive victory over France and provided a successful launch to its bid for a third successive Grand Slam. Webb kicked three penalty goals to give his team a 13-12 lead at the break, and then booted a long-range goal early in the second period that, ultimately, decided the game in England's favor. In the sixth minute, however, Webb had fumbled a straight-forward chip kick by French fly half Didier Camberabero and the ball bounced directly to winger Philippe Saint-André, who dived over for a try. Camberabero kicked the conversion to give the French a 7-3 lead. France surged further ahead midway through the first half when a high kick from Camberabero hung in the wind and Saint-André, playing his 24th test match, leaped higher than the English defenders to catch the ball in mid-air and drop down under the posts for his second try. Although Camberabero missed the conversion kick, France led by 12-6. But France's good work was undone by some indifferent kicking from Camberabero, the veteran recalled to the team for his pinking. He missed on two simple penalty kicks, one from in front of the posts, and failed with each of his four drop-goal attempts. Webb, meanwhile, kept England in the game with his accurate kicking. Ironically, England's only try of the match came after Webb missed a kick minutes before halftime. The ball slammed into the right upright and back into the field of play, where winger Ian Hunter was on hand to run it over the line. "We weren't as fluid as we have been and we were making far too many mistakes," said England's captain, Will Carling. "Dropping passes and spilling the ball, it wasn't like us. We didn't keep any pressure on their 22 for any length of time and consequently couldn't amass any points. "In the end, I have to be delighted we came away with a win." France's coach, Pierre Berbizier, would not say whether he planned to cut short Camberabero's return to the team. The scoring: Tries: Hunter 25m; conversions: Webb 35m; penalties: Webb 1st, 15th, 25th. France — Tries: Saint-André 6th, 15th; conversions: Camberabero 1st; penalties: Camberabero 25m.



Alberto Tomba was third in the race and fell to second, after Tomas Fogdøe, in the slalom standings.

Fogdøe and Schneider Win Cup Slaloms Kosir 2d in Men's Race Coberger Runner-Up Again

LECH, Austria — Tomas Fogdøe, of Sweden fought off a strong challenge Sunday from a young Slovenian, Jure Kosir, and Alberto Tomba of Italy to win his third slalom of the World Cup season. The circuit's overall leader, Marc Girardelli, was also a winner. By finishing 12th, he won the combination, a paper race adding the results of the slalom to the results of Saturday's downhill in nearby St. Anton. With 100 points for the combination victory, Girardelli, who is seeking a record fifth overall World Cup title, collected 162 points for the two days and further extended his lead over Tomba. Fogdøe was just 0.06 of a second ahead of Tomba after the first run, while Kosir was 0.20 behind. The 22-year-old Swede was slower than Kosir, 20, in the second run, but his edge from the first run allowed him to win the race with a combined time of 1 minute, 44.36 seconds. Olympic champion Finn Christian Jagge of Norway posted the fastest time for the two runs, but was disqualified after straddling one of the 64 gates in the second run. Since the scoreboard still had Jagge with the fastest time, Fogdøe thought he had finished second. Kosir, a physical education student from Mojstrana, near the Slovenian resort of Kranjska Gora, finished second in 1:44.53. His previous bests were two eighth places. Coberger, seventh after the first heat, skied the second fastest run to finish second for the third time this season, in 1:33.52 minutes. The 1-2 finish was a replay of the previous Cup slalom, in Maribor, Slovenia, last week. Karin Buder edged four Austrian teammates — Monika Maierhofer, Ingrid Salvenmoser, Elfi Eder and Anita Wachter — for third place. Buder trailed the winner by 1.17 seconds. Eder, second in the first run, was overcautious in the second and fell to fifth place. Wachter strengthened her lead in the overall World Cup standings by placing seventh in the slalom and first in the combination, based on the results of Friday's downhill and Sunday's slalom. Wachter has 741 points in the Cup standings after 15 races, 158 points ahead of Carole Merle. The French skier did not compete in the slalom, her weakest event. Ulrike Maier of Austria, the world champion, edged Merle by 20 hundredths of a second Saturday to win a super giant slalom in Cortina d'Ampezzo. Maier got her third victory this season, and the second in super-G, by flashing down the 1,725-meter long course in 1 minute, 16.94 seconds. Merle, second for the second time in 24 hours, was timed in 1:17.14 minutes.

SIDELINES

James Wins Madeira Golf Open

FUNCHAL, Madeira (AP) — Mark James of England shot a 71 Sunday to capture the Madeira Island Open by three shots, his first European victory in more than two years. James took a two-stroke lead into the final round, but had to withstand strong late challenges by Paul Broadhurst of England and Stephen Ames of Trinidad before winning the earliest PGA European Tour opener in history. James finished with a four-round aggregate of 7-under-par 281 over the new Madeira Golf Club course. Broadhurst finished with a 71 to share second place with Gordon J. Brand of England at 4-under-par 284, one shot ahead of Roman Rafferty of Northern Ireland and Jamie Spence of England, who tied for fourth. Ames moved to within one shot of the lead after making a birdie at 15, only to self-destruct with a triple bogey on the par-3 17th hole. In Honolulu, Howard Twitty took a 3-stroke lead over Paul Azinger into Sunday's final round of the Hawaiian Open. Twitty, 44, is seeking his first PGA Tour victory since 1980. Azinger has been runner-up three times in the tournament.

Only 110 Players Get to Arbitration

NEW YORK (NYT) — With the major league clubs, wary of the rulings, having made such a strong effort to make salary arbitration go away this year, an unusually low number 115 of players submitted their names on the last day for filing. That made the total 116 — Jeff Huson of Texas filed last week, but reached agreement with the Rangers the next day — which was the fewest since 104 filed in 1988. In the past three years, an average of 155 players filed. Seven weeks ago, 188 players were eligible for arbitration. Five others agreed to contracts on Friday after filing, among them Ron Karkovic of the Chicago White Sox on a three-year contract for \$4,125 million and Mark Gardner of the Kansas City Royals on a \$1 million, one-year deal. The St. Louis Cardinals got Tom Pagnozzi to agree on a four-year, \$10.5 million contract, and Todd Zeile on a \$1.025 million salary for this year, just before filing.

For the Record

American Akebono and Takahanada both suffered their first upsets Sunday, leaving four wrestlers tied for the lead with 7-1 records midway through the 15-day New Year Grand Sumo Tournament in Tokyo. (AP) AC Milan maintained its grip on Italian first-division soccer by beating Brescia, 1-0, on Sunday and extended its unbeaten run to a record 51 games. Bruno Saby drove his Mitsubishi to victory in the 16-day Paris-Dakar road race that ended Saturday, followed by compatriots Pierre Larigue and Hubert Auriol, both driving Citroëns. Dmitry Dmitrenko of Ukraine scored a major upset by winning the men's title at the European Figure Skating Championships in Helsinki, holding off challenges from Philippe Candeloro and Eric Millot of France. Debbi Lawrence of the United States set a world record in the women's 1,500-meter rowwalk at the indoor games in Hamilton, Ontario, finishing the event in 5 minutes, 53.41 seconds and beating her previous mark of 5:54.31. Alain Gantier, on Bagages Superior, has a lead of more than 800 miles (1,300 kilometers) in the Vendée Globe Challenge over fellow Frenchman Philippe Poupon, on Fleury Michon. Bertrand de Broc is third. (AFP)

Foreman Finally Stops Coetzer in 8

RENO, Nevada — No one could have blamed Pierre Coetzer for wishing that referee Joe Cortez had listened to George Foreman in the fourth round. About a minute after Foreman knocked the South African down in the fourth, Foreman was battering Coetzer when he turned to Cortez and asked him to stop the fight. Cortez, however, didn't call a halt until after Foreman had scored a second knockdown, in the eighth round Saturday night. Coetzer had taken a terrible battering by the time the fight was halted and went to a hospital. After the bout, the 44-year-old Foreman, who has talked about not fighting beyond this year, said: "I may not fight again." But in the next breath, he was talking about how he'd like to challenge the World Boxing Council champion, Lennox Lewis of Britain. The victory at 1:48 of the eighth round sends Foreman into an April 16 match against Tommy Morrison, who got up from two fifth-round knockdowns to stop Carl (The Truth) Williams at 2:10 of the eighth round on Saturday. Great Wall Brawl A Chinese company's lawsuit against a boxing promoter who was hired to produce a "Great Brawl" by the Great Wall fight card has been scheduled for trial on March 7, 1994. The Associated Press reported from Seattle. Beijing Xinghua Industries Inc. is demanding an accounting of \$3.1 million that was paid to Bill Wheeler for the event, featuring George Foreman, that was supposed to take place Oct. 16 but never came off. Wheeler repeatedly invoked the Fifth Amendment in a deposition taken for the case. U.S. District Judge Thomas Zilly said he would decide Tuesday whether to impose tighter restrictions on Wheeler's business funds.

INTERNATIONAL RECRUITMENT You will find below a listing of job positions published last Thursday in the International Herald Tribune under the International Recruitment Feature. Table with columns: POSITION/LOCATION, COMPANY. Includes roles like Senior Account Executive/Saudi Arabia, Head/Switzerland, Sales Director/Paris, etc.

ESCORTS & GUIDES INTERNATIONAL CLASSIFIED (Continued From Page 9) Table listing various travel services and agencies such as Belle Epoch, Mercedes, Zurich, etc.

POSTCARD
Of Kimonos
And Rites of
Passage

By T. R. Reid
Washington Post Service
A TSUGI, Japan — To commemorate Jan. 15, an important date in her life, Taeko Nagashima's parents bought her a \$3,200 kimono and chipped in \$240 for tuition at a "kimono academy" to teach her how to wear it. Taeko got up at 4 A.M. to meet three friends at a beauty salon, where they spent three hours having their hair done and helping each other dress.

Writer's Slump, Japanese-Style

By David Tracey
TOKYO — By the age of 30, Masahiko Shimada had written four novels, several novellas, countless articles and two short stories, which were selected for anthologies of the best new Japanese writers. Now he's 31 and in a slump.



Masahiko Shimada, now in training for the deadlines ahead: "Writing is unnatural."

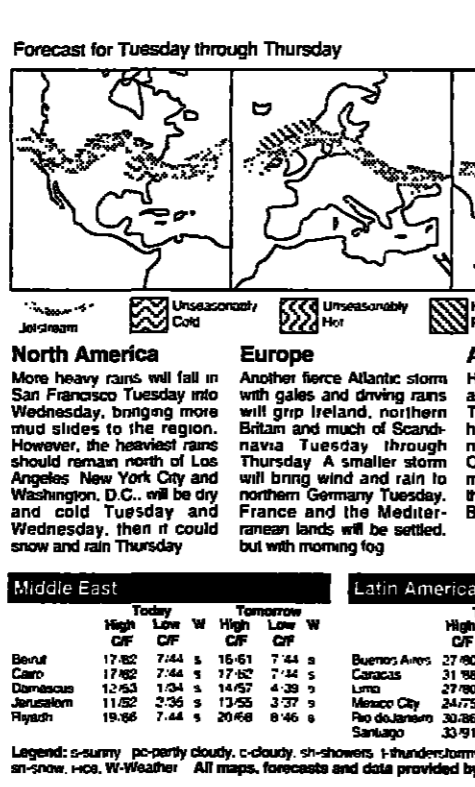
But it is a slump of Japanese proportions only. Although he hasn't written fiction in six months, he has managed to guest-lecture at universities, appear on TV talk shows, write magazine articles, direct his own play and help his wife with their new baby. Even so he calls himself lazy.

Less-Than-Eternal Commitments

By William Safire
WASHINGTON — "Romance with Commitment. That's what today's woman wants." Those were the words of Calvin Klein, introducing a floral-scented fragrance named Eternity five years ago. That's when commitment was in, a word that has gone from connoting entrance into a mental institution to its modern meaning of "permanent relationship" or perhaps a mutual understanding to date steadily at least through New Year's Eve.

WEATHER

Table with weather forecasts for Europe, Asia, Africa, North America, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.



CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle from Jan. 15.

BOOKS

ANATOMY OF LOVE: The Natural History of Monogamy, Adultery and Divorce. By Helen E. Fisher. 431 pages. \$22.95. W. W. Norton & Co. Reviewed by Michiko Kakutani

BRIDGE

Bridge game section including a hand analysis by Alan Truscott and a North-South hand with bidding and play.

INTERNATIONAL CLASSIFIED

International Classified section with various advertisements for services, products, and real estate.

Large advertisement for AT&T USADirect Service, featuring a globe and the slogan 'Get your point across in no time.' Includes a list of international access numbers.